

FOREIGN AND COMMONWEALTH OFFICE  
WESTERN EUROPEAN DEPARTMENT  
WRE 014/2

DD 1988/47  
DESPATCH  
SELECTIVE DISTRIBUTION  
GERMAN DEMOCRATIC REPUBLIC  
14 JANUARY 1988

GERMAN DEMOCRATIC REPUBLIC: ANNUAL REVIEW FOR 1987

HER MAJESTY'S AMBASSADOR AT EAST BERLIN TO THE SECRETARY OF STATE  
FOR FOREIGN AND COMMONWEALTH AFFAIRS

SUMMARY

1. 1987 the apogee for Honecker, especially in elevating relations with FRG. Internal and external pressures increasing. Much progress but no secret agenda between Germans - yet. (Paragraphs 1-4)
2. Soviet Union retains majority vote in GDR affairs. Honecker's skill in managing this relationship and GDR's position in Warsaw Pact. Links with FRG employed to further Soviet arms control and disarmament initiatives. (Paragraphs 5-7)
3. Gestures towards internal liberalisation delayed by conservatives; security authorities in control. Economy made only halting progress. Costly but respectable 750th birthday party for (East) Berlin. (Paragraphs 8-10)
4. Useful progress in our bilateral relations, and signs of reducing trade deficit. (Paragraph 11)
5. Inherent instability of GDR which even a good year leaves as exposed as before. (Paragraphs 12-14)



BRITISH EMBASSY  
EAST BERLIN

14 January 1988

The Rt Hon Sir Geoffrey Howe QC MP  
Secretary of State for Foreign  
and Commonwealth Affairs  
London SW1

Sir,

GERMAN DEMOCRATIC REPUBLIC: ANNUAL REVIEW 1987

1. Last year I predicted that 1987 would be the apogee of Honecker's rule and the consecration of his German policy. I suggested that the prospect of Berlin's 750th anniversary need not cause pessimism.
2. Correct; fair guesses. In the GDR, under layers of cant about dynamic change, policies aiming at continuity and predictability still rule. Nevertheless the year had its surprises and one day GDR will present us with the crisis, whose elements ripened in 1987: instinctive family reactions despite the gulf between West and East Germans; Soviet need for reform, whatever their allies individually need or think; the priority which Russians must accordingly give to disarmament; increasing Soviet economic pressures on their allies and impatience within Comecon; the growing gap in living standards between East and West; Bonn's anxiety to protect East Germans, and alleviate their lot. These pressures led Honecker to lean more on Bonn while his population, squinting at Gorbachev and Kohl simultaneously saw comfort in both. Despite a number of relative successes, and despite the docility of East Germans, Honecker cannot breathe much more easily now than a year ago.

#### Inner German Relations

3. Honecker failed to visit West Berlin in April, but this Soviet-dictated set-back probably helped him to achieve his main objective, Bonn. Warsaw Pact approval was half-hearted, the Poles especially sceptical. This background compelled Honecker to behave as a privileged but orthodox Warsaw Pact visitor and to take few risks. Nevertheless the visit automatically achieved his first objective, formal recognition inherent in being treated publicly as a German Head of State by other Germans. He also pocketed agreements institutionalising important FRG help on nuclear matters, environmental pollution, science and technology. The timing was lucky. Honecker was able to claim a share in Kohl's Pershing 1A decision. He returned triumphant - having

/scored



scored points which neither conservatives in the Party, nor his Warsaw Pact allies could deny. For ordinary East Germans too, the licensed ballyhoo with its implications of further increased travel to the FRG - already in 1987 over a million travellers under pensionable age - and of maintaining a German national idea (despite Honecker's energetic denials) made the visit a milestone. He deserved his success. From the risky failed attempt of the August 1984, when hostages were unnecessarily given to both Moscow and Bonn (The 'Gera' demands), and a difficult retreat beaten, Honecker skilfully altered his tactics to maintain his strategic objective. Bonn cooperated consistently. A net gain was scored for both German states, short-term for GDR, long-term for FRG.

4. Some ask whether such inter-German consensus goes further, even amounts to a 'secret agenda'. There are certainly more instances of blandness, more German economy with information to their Allies about German/German happenings, more collaboration between German delegations at conferences, some suspicions of more preference for West German offers to the GDR market, and of East German goods slipping through EC controls. This constitutes no evidence here for any 'secret agenda', merely a developing code of practice. For good or ill, the relationship is becoming 'special' and increasingly sensitive. For obvious reasons, Honecker must periodically issue insincere but shrill attacks and denials, while West Germans must practice a few hypocrisies of their own. The new situation was well illustrated by the Zionskirche affair in November. Four environmentalists were arrested for issuing lay leaflets from Church premises. A thousand faithful and others protested. Bonn too. GDR rejected the 'interference' fortissimo in 'Neues Deutschland' but at low diplomatic level. The protesters and vigil-keepers dispersed in a couple of days. No charges were made against the four. Such incidents show East Germans that their German birthright means something, a feeling of greater closeness to the FRG through town-twinings, better travel opportunities, a degree of protection, and constitute a growing political reality. While Honecker lasts, the inner-German tide will flow strongly irrespective of top-level manifestations. Chancellor Kohl may not come here in 1988, but it will be more important that another million active GDR citizens see the FRG for themselves. The policy is not yet irreversible, but could become very difficult to stop, short of a major crisis, in a few more years.

#### Soviet/GDR Relations

5. Ideological differences between Moscow and East Berlin remained sharp, but were managed. In February, when he also snubbed Shevardnadze, Honecker lectured Party leaders that reform was not needed in the GDR where democratisation had long been achieved. He ignored glasnost. This statement has remained the leitmotiv. Gestures towards flexibility or criticism of the past stuck in unregenerate levels of the Party. No criticism of Stalin either. The GDR Minister responsible for



films, denouncing 'Penitence', asked me, with unusual frankness, "How can I allow anything against Stalin when he saved me from being a Nazi?". Meanwhile the CPSU and Gorbachev have eased tensions by decreeing that each fraternal Party can choose its own path. There have been no open signs of mutual GDR/Soviet irritation since then. Honecker managed to host two Warsaw Pact Summits, in May and December, in East Berlin, he received an Order of Lenin, got warm praise from Shevardnadze for contributing to the INF accord, and continued to look economically respectable. His speech at the 70th Revolution Jubilee in Moscow was a confident apologia for his contributions, past, present and potential, to dialogue and 'Peace'. Honecker claimed

- (i) that in 1983/84 "which was a time of discouragement for some people" (eg. Gromyko), GDR had pursued an unswerving policy of dialogue, and had hence contributed to detente, from which the INF agreement arose;
- (ii) that his Bonn visit had underlined and confirmed the existence of two German states, and improved the chances of influencing the FRG favourably;
- (iii) that talking to Social Democrats offered special opportunities for exploitation.

These points are worth recalling. Not only do they reflect Honecker's confidence that, for all the quarrels of the past, his policies were vindicated. They also stake out the GDR's claim for a special German vocation on behalf of the Warsaw Pact. Honecker is already planning a Peace Congress, with emphasis on inviting Social Democrats, for 1988.

6. The more realistic and relaxed Soviet attitude to the GDR paid off. Soviet diplomats make it clear that their main interest was to keep GDR loyal, stable, and economically supportive. The Russians created GDR as a protectorate, over which they had total control, but part of glasnost is to recognise their reduced position. If one expressed it in share-holding terms, Moscow now has perhaps only 51%, local interests 39% and FRG 10%. Soviet share-holding need never go below 51% - they always have the option of dissolving the Company. No question of that yet. The faint hints that the USSR might restructure its interests in Germany had stopped by mid-1987. A temporary truce perhaps. More serious for the USSR than GDR's conservative heresies over ideology is their economic egotism.

#### Disarmament

7. With hindsight, GDR's contribution in holding out against Gromyko's freeze of 1983/84 was perhaps more important than it appeared at the time. But they added nothing useful for 1987.

/Honecker



Honecker wrote to the Prime Minister in May and got a short and clear restatement of the need to maintain for a long time a mix of nuclear and conventional arms in Europe. At the year end Honecker tried his luck again with Kohl, suggesting that both German states had an urgent interest in early negotiations for elimination of short-range weapons. He may have hit a softer spot. He plainly wishes to be seen as working for denuclearisation of Europe. There are other signs, for example unsubstantiated claims of increased NATO aggressive potential, which seem to promise poorly for any genuine GDR contribution to disarmament in 1988. Gorbachev said in East Berlin in December that there is an inseparable connection between reform at home and disarmament. GDR does not agree. The disarmament process itself contains threats for the GDR if linked to any real reform or detente.

### Internal Affairs

8. As usual, there were plenty of complaints and problems, economic, personal, ideological, but no coordinated opposition. The Evangelical Church maintained its important role, but did not increase its congregations. The Catholic Church obtained its first GDR-wide meeting, attracting 80,000, but remains uninfluential. Several thousand young people half-rioted in June near the Wall, in order to hear rock concerts from the West. Environmentalist complaints get more serious. More young Party members expressed privately disgust at out-dated orthodoxies, and deplore the Party newspaper. Hopes were raised in August by official publication of an agreed document between SED and the West German SPD, advocating a civilised approach to ideological conflict, open discussion of each system's advantages and mutually respectful attitudes. But the SED soon retreated, under pressure of conservatives, and explained that, after all, an antagonistic image was needful since imperialism was not of its nature peaceful and could only be compelled. Conservatism thus retained the initiative, and the security police retained total control despite two-day wonders. Such changes and concessions as occurred, including a major amnesty, were official initiatives. Not until workers or students make a serious mass protest, perhaps in the post-Honecker era, is the internal situation likely to become critical. Till then mass schizophrenia substitutes for mass protest.

### Economy

9. Living standards inched forwards, but 1987 was a year of unfulfilled targets. Those for 1988 have been reduced. Foreign exchange reserves are satisfactory and investment programmes are substantial compared to Eastern neighbours. Some major projects were delayed. Attacks on industrial overmanning were ineffective and there remained shortages of staff for services.



Prosperity was too thin and patchy for GDR to take any risks in Comecon. Accordingly they got ill will from Comecon partners trying to hobble towards convertibility. Allocations of overseas aid were also pared. GDR reliance on FRG help, and particularly on free access to the FRG market (for which we indirectly pay) increased.

### Berlin

10. The GDR overdid their 750th programme. One Minister joked "What is the difference between SDI and the 750th?". Answer: "You know what SDI costs". The priority accorded to the "capital" in spending and cultural splendour increased the envy of non-Berliners to the point where physical attacks took place. Honecker has recognised this resentment. At the same time he can take some comfort that East Berlin held its head high. The competition between the two parts of the city was not a zero-sum game, and both can feel they scored. Britain scored too. Six great British orchestras, playing without any official financial support, gave outstanding account of themselves. On the political side, the Embassy avoided the pitfalls of gratuitous insult to our host Government on one hand, or paying any tribute to "Berlin, Capital of the GDR" on the other.

### Bilateral Relations

11. We had to play things quietly in East Berlin, but made up for it at both Leipzig Fairs, which Mr Alan Clark and Lord Jellicoe visited. Our exports did not quite reach the figures we had hoped, but the imbalance in GDR's favour lessened. The spread of British industries actively tendering and holding seminars increased, and new contracts are being awarded to us in fields previously unexplored. The GDR Minister for the Environment and Deputy Prime Minister made an excellent visit to UK in the summer. GDR visitors on political and cultural affairs preserved intact their country's reputation for tedious unoriginality. The first inspections of military manoeuvres took place - and both sides seem to have come away with increased mutual respect. In brief, a good average year, where we made progress in priority areas and avoided trouble in others.

### The future

12. Safest of all forecasts is a new shower of medals for GDR athletes at Seoul. GDR was not prepared to risk another boycott and led the Sovbloc return to the Games.

13. For all his skilful opportunism, Honecker has been fighting a defensive action on two fronts in 1987. Both East and West have breathed hard down his neck. The pressure looks likely to increase. Honecker, seen as the best leader Bonn has in the GDR, is experienced enough and appears still fit enough



[REDACTED]

to withstand it. He remains cautious. I do not think he will make the mistake of overestimating his ability to influence internal FRG politics. GDR interest in Federal and Land Government support is too strong - and still growing. [REDACTED]

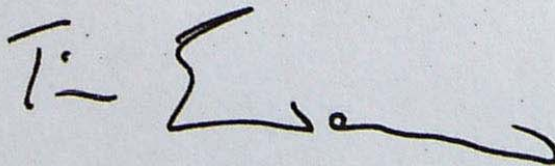
[REDACTED] When he goes, so will a complete class of Ministers and officials who have been practising Brezhnevian "stability of the cadres" for 20 years or more.

14. Though 1987 has been an apogee of Honecker's rule, the GDR's situation remains inherently unstable. Gorbachevism still unsettles to the East and closer ties with Bonn carry their own long-term threat. Our own policy of maximum engagement in the GDR remains highly relevant, especially in the context of quickly developing German/German links. In 1988 we shall as usual have some accusations from the GDR to rebut, ranging this year from Munich memories (50 years in September) to British nuclear policies; we shall have also some GDR athletes to applaud at Seoul; some contracts to clinch; exchanges of ideas through a Round Table and our useful cultural programme to enliven. But I guess that the Embassy may be even more than usually engaged in measuring the massive tensions never absent from this unnatural Cold War creation, and which even quite a successful 1987 actually increased. The heritage is hard to shake off.

15. I am sending copies of this despatch to Her Majesty's Representatives at Bonn, Warsaw Pact Posts, Belgrade, Washington and Paris, to the UK Permanent Representative NATO, the GOC Berlin (British Sector) and the Commanders-in-Chief BAOR and RAF Germany.

I am Sir

Yours faithfully



T J Everard

[REDACTED]