Foreign and Commonwealth Office

London S.W.1

30 October 1979

Dear Michael

Inner German Consultations: Trade in Political Prisoners

Since the FRG's practice of buying out political prisoners from the GDR is currently in the news, the Prime Minister might find it useful to have the attached note on the subject when she visits Bonn Tomorrow.

I am sending copies of this letter to the Private Secretaries of the Chancellor of the Exchequer, Secretary of State for Defence, and the Minister for Agriculture, and to Martin Vile (Cabinet Office).

Yours ever

Paul

Paul Lever

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INNER GERMAN RELATIONS: TRADE IN POLITICAL PRISONERS

According to recent press reports, an unacknowledged but long-standing arrangement by which the Federal Government pays hard currency to the GDR in return for the release of political prisoners may be terminated by the GDR. The reports speculate that the GDR may have decided to end the practice in order to avoid criticism during its forthcoming membership of the UN Security Council and during the run-up to the 1980 CSCE Review Conference in Madrid. Further possibilities mentioned are an East German desire to change the system so that lump sum payments would be made instead of fees for individual prisoners, or that the GDR security services are simply overwhelmed in administering an amnesty declared on the 30th Anniversary of the GDR.

H M Embassies at Bonn and East Berlin report that the position is still unclear. The FRG Permanent Representative in East Berlin believes that no final decision has been taken by the GDR Politburo, but that the GDR may seek more discreet ways of pursuing the arrangement. The Federal Government have been reluctant to brief us on the subject, but admit that since 1970 they have 'bought back' some 11,000 political prisoners. The total sum paid to date could well be over DM500m.

There seems to be nothing to support the BBC story that it was an ITV programme about 'traffic in people' which prompted the GDR to suspend the existing arrangement.

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