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*From the Private Secretary*

31 January 1990

**GERMANY**

The Prime Minister has read with interest the accounts of the Foreign Secretary's discussions in Washington on German reunification, as well as on the new American proposal for reductions in US stationed forces in Europe (but has not yet seen the account of Sir Patrick Wright's separate discussions with American officials). She looks forward to discussing them with him this afternoon. You may like, before then, to have a brief indication of what is in her mind.

The Prime Minister finds the overall picture very worrying. Events are moving faster than ever. We now have Gorbachev's statement recognising that reunification will take place. There is Genscher's statement that in a united Germany today's GDR should not become a part of NATO. Graf Lambsdorff said at dinner at the German embassy last night that he could not see how a united Germany could be a part of NATO (although he did not say this in his talk with the Prime Minister earlier in the day). Against this background there is bound to be increasing speculation here about the future of our troops in Germany: and there will be added urgency for the work on a possible new defence posture commissioned after Saturday's meeting. Against this background of growing uncertainty in Western Europe and continuing turmoil to the East, the Prime Minister thinks she ought to send a substantial message to the President setting out her views, following the Foreign Secretary's return. Such a message could draw quite heavily on the conclusions of Saturday's meeting at Chequers. She will want to discuss this with the Foreign Secretary this afternoon and also raise the question of whether she herself should not go to see the President in the fairly near future. She thinks this would convey a good political signal, as well as adding urgency to the official-level talks.

(C. D. POWELL)

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