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From the Private Secretary

8 February 1990

GERMANY

The Prime Minister and the Foreign Secretary had a further talk this evening about German reunification. The Prime Minister stressed the very great importance which she attached to organising collective discussion of the implications of reunification. She thought the most practicable form was probably the Berlin Four plus the two Germanies. She knew that the West German Government were not keen on this. But we should try to secure American and French acquiescence and then press them hard. The ideal would be to have some sort of initial meeting in the margins of the Open Skies Conference in Ottawa. Failing that she thought we should at least try to have a tripartite meeting with the French and Americans. The Foreign Secretary emphasised the difficulties of securing American acquiescence: the whole emphasis of American policy was to help get Chancellor Kohl re-elected. The Prime Minister said that we must find a way of avoiding the unification becoming a fait accompli, before we had worked out the implications.

The Foreign Secretary said that he would be letting the Prime Minister have tomorrow a paper on the implications of German unification for NATO. The Prime Minister said that she would look at this on Sunday and we would telegraph any comments to the Foreign Secretary in Ottawa.

The Prime Minister said that she hoped we were also getting on with work on the implications of reunification for the European Community. We must avoid the situation in which the EC as a whole took on massive new financial obligations, or there was a substantial increase in the United Kingdom's net contribution.

Looking to the longer term, the Prime Minister and the Foreign Secretary saw the CSCE as a potential framework within which to dilute German influence in Europe. No single West European country was big enough to balance Germany and we would in the long run need to rely on Russian influence to do so. But this was a distant prospect.

The Prime Minister commented that she was in principle ready to meet Chancellor Kohl in the next few weeks, either in Bonn or London, but doubted whether he would relish a meeting in the

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light of his comments to the Foreign Secretary. Her priority remained to organise a collective discussion of the Berlin Four with the two Germanies.

(CHARLES POWELL)

Dictated by Mr. Powell and signed
in his absence

J.S. Wall, Esq.,
Foreign and Commonwealth Office.