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PRIME MINISTER

We are right once gain and Kohl records that his latter have been runted .

GERMANY: MEETING WITH HERR TELTSCHIK

I spent this morning in Bonn talking to Herr Teltschik about German unification.

There is a heady atmosphere in Bonn. Great events are in the air, and for the first time in 45 years Germany is out in front. For the Germans, this is the breakthrough. After decades of sober and cautious diplomacy, and adjusting themselves to fit in with decisions taken by others, they are in the driving seat and Toad is at the wheel. The exhilaration is unmistakeable. This time they are going to take the decisions and others can tag along. The Allies must of course be involved but not allowed to call the tune. The Germans' moment has come: they are going to settle their destiny.

The other point that strikes you is how much unification is a party political issue. Kohl feels he has pulled off a master-stroke by putting himself at the head of the movement for unification. It's not so much that he's grabbed the leadership from the opposition but from Genscher and the FDP. There is a lot of crowing about how Kohl outflanked Genscher with his 10-points. Having taken the lead, Kohl is now under enormous pressure to keep it, by constantly pressing ahead with unification and avoiding any hold-up or delay. The politics of it mean that he cannot falter or stop if he is going to win his election in December.

These two reasons do much to explain - but not justify - Kohl's annoyance with our approach, which is perceived as one of trying to hold back a tidal wave which Kohl believes will catapult him to be first Chancellor of a newly united Germany, which will in turn be a global power.

Nationalise A respective.

I set out to explain to Teltschik why the gathering pace of unification worried us. There were deep-seated and entirely

natural fears in Britain and no doubt other European countries about the consequences of a united Germany. First that it might lead us once again to conflict and destruction. This was not of course an immediate worry, but an unease about the future, based on our experience twice this century. Second there was concern about the economic might of a united Gemany and how it could come to dominate Europe. Third - and more urgent - there was a strong feeling that the Germans were being egotistical and putting their interest in unification ahead of the wider interest shared by all of us in stability and security in Europe. While we recognised that Germany unification was legitimate and unstoppable, we wanted it to be an orderly process. That meant consultation about the consequences of unification for NATO, the EC, Four-Power rights and the Helsinki process: and proceeding on the basis of agreed positions.

I continued that we had all played our part in defending Germany for the last forty years: we could not and would not be side-lined now. Instead of trying to evade proper consultation, either in the (western) quadripartite framework or with the Four Powers, Germany should be using these institutions to the full. How the rest of us viewed Germany once it was united, would be much affected by the manner in which unification came about. It would be a great mistake to believe that Britain (or indeed the other Allies) were just obstacles which Germany could navigate around. If they were not prepared to consult collectively with us, then we would have to talk to the others, including the Russians, without the Germans. It would be a great pity if we had to put aside the co-operative tradition of the last 40 years and return to the balance of power diplomacy of an earlier age.

I concluded that, as a friend, I saw a real risk that Germany was developing tunnel vision about unification, and losing sight of its wider interests and obligations. This should be a moment of hope and of triumph for the West as a whole. It would be a tragedy if it turned into a parting of the ways. No-one wanted that: but if the Germans did not show more sensitivity and consideration, there was a real risk that this would be the direction in which we would move.

Teltschik's reply can be broken down into a number of points:

we were wrong to believe that the Federal Republic was pushing recklessly ahead. They were simply reacting to an ever-worsening crisis in East Germany. We seemed to have no idea of how dramatic the crisis there was. Total economic and political collapse could come at any minute. Modrow and his government could take decisions, but they operated in a vacuum and had no idea whether their decisions would be carried out. Industry was crumbling. The armed forces were just signing off and going home. The police force was beginning to disintegrate. Herr Poehl had just been to East Berlin and was appalled at the state of the East German economy: it could collapse completely at any moment. In the meantime the exodus was continuing, indeed gathering pace. The main purpose of Kohl's visit to Moscow would be to convince Gorbachev of the gravity of the situation. {Comment: whether or not this is exaggerated, there is no doubt that the Germans have convinced themselves of it, and it has become the justification for their policies }.

the Germans would much prefer to move forward step by step,
as set out in Kohl's ten points. But events were constantly
moving ahead of them. Three days ago, a currency union had
just been one of several options to be studied: forty-eight
hours later it was a firm proposal adopted by the German
Cabinet. Implementing it would be horrendously events
no government in its sense. on that scale in an election year. But there was no alternative. Within a week, Herr Poehl would be running the East German economy.

> More generally, no-one had any idea what would happen after the election of 18 March in the GDR. It was perfectly possible that the new Parliament would meet and, rather than elect a government, simply vote to join the FRG immediately under Article 23 of the FRG constitution. The German government would be unable to refuse. Alternatively, the GDR Parliament might propose the establishment of a constituent Assembly to adopt a new constitution for Germany



as a whole, with elections throughout a united Germany early next year. No-one could control what might happen. It was difficult to consult in a situation of incipient crisis. The Federal Government was fully occupied with preparing to cope with the imminent breakdown of the GDR.

- Kohl was not averse to a <u>meeting of the Four-Powers plus the</u>
 <u>two Germanies</u>, but it should not be held yet. Involving the
 Russians now would simply give them leverage and encourage
 them to try to thwart unification or impose unacceptable
 conditions eg. neutralisation of Germany. The very
 speed of develoments was keeping the Russians off balance
 and this was an advantage.
- there was another reason to avoid such a meeting now: it would seem to many people as an attempt by the Four Powers to interfere with the exercise of Germany's right to selfdetermination. If we persisted, people might become anti the West.
- Quadripartite meetings of Foreign Ministers and Political Directors were intended to achieve this. He did not rule out other formats: for instance we should all keep in touch bilaterally, and advisers to the four Heads of Government could meet. On the question of involving the Russians, much would depend on the outcome of Kohl's meeting with Gorbachev. He would report the Prime Minister's strong views on the need for an early meeting of the Four plus the two Germanies to Chancellor Kohl, but he was dubious whether he would agree to any meeting before the elections in the GDR.

We then dealt with a number of separate aspects.

Teltschik said that the Germans simply did not know what to expect from the meeting with Gorbachev. The Chancellor regarded it as probably the most important meeting he had ever attended. But there were conflicting signals on the Russian side. Some were taking a hard line, saying that if the Germans went ahead

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with elections to the Bundestag from Berlin, the Russians would start to interfere with the access routes to Berlin. Others were suggesting that Gorbachev would set out, or at least hint at, the price that Germany would have to pay for unification, in terms of its future status. A neutral Germany might be suggested: but a more subtle approach, and one which caused real problems on the German side, would be to propose the removal of all nuclear weapons. This would certainly be exploited by Genscher. But Teltschik's own view that Gorbachev would not be very specific: rather he would try to use the meeting - which had been requested by the Germans - to win time.

On the question of the relationship of a <u>united Germany to NATO</u>, Teltschik said there was no reason at all to doubt Kohl's determination to keep Germany in NATO. He had been the first to reject neutralisation. But Russian interests would have to be handled very carefully. It must not appear that they had lost the war 45 years after it had ended. It might be necessary to accept the continued presence of Soviet troops in the former GDR, at least for a transitional period, for instance until implementation of reductions agreed in the CFE negotiations was complete. Thereafter it would not be feasible to have <u>no</u> troops in the former GDR. There might have to be limits on the number or the nature of the German or other forces permitted there. One possibility would be to have multi-national forces.

I asked how Teltschik saw the role of the <u>Helsinki process</u> in all this. We were disturbed by some of Genscher's references to it, which seemed to imply that it could somehow replace NATO. Teltschik said that Kohl at least did not see the CSCE as a substitute for NATO. But it might be useful to create CSCE institutions which would serve the security interests of Europe as a whole, for instance a body to monitor and verify force reductions.

Teltschik was uncomfortable when pressed on the presence of nuclear weapons in a united Germany. It seemed most unlikely that the Congress would ever vote funds for the modernisation of LANCE. If that was the case, then Kohl would much prefer a decision not to go ahead with FOTL to be taken this year, so the

issue could not be used against him in the election campaign. was clear that, deprived of the lead in German unification, Genscher was determined to make disarmament the major theme of the election campaign. I reminded him that the NATO Summit had deliberately postponed this issue to the far side of the German elections. But it was clear that Teltschik was saying that the Germans would nonetheless revive it this year. Personally he hoped there could be agreement to keep other American nuclear weapons in Germany. But he did not want to mislead: if the Russians made this a major issue, he doubted whether any German government could resist, especially if it was made the price of unification. This is a most worrying signal.

Teltschik volunteered that he assumed we would be reducing British Forces in Germany. I did not pursue this.

It was impossible to get any clear answer as to how the Germans envisage completing the international formalities surrounding unification. Teltschik was clear that there should not be a peace Treaty as such: it would be humiliating to Germany. Equally he did not seem to regard the proposed CSCE Summit as the right forum, fearing that the Russians intended to use it to confirm the inner-German border. He seemed rather to be thinking of some sort of meeting and agreement between the Four Powers and Germany, which would formalise the decease of Four Power rights. The Oder-Neisse line as Germany's eastern frontier was not in question.

Finally, Teltschik seemed to have given no thought at all to the EC aspects (but then he generally does not deal with the EC). He assumed there would be some sort of transitional arrangement with the EC following German unification.

We touched briefly on a number of other points:

CFE. Teltschik seemed to think that the UK might be difficult about concluding an agreement this year. I disabused him of this. It was clear that EAGLEBURGER and GATES had given Kohl a graphic account of their meeting with you, but had not tried to pin down Kohl on American nuclear

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weapons in Germany (so much for their promises).

- <u>EFA</u>. Teltschik thinks that the Germans will agree to the project going into the development phase. It would simply be too expensive to cancel.
- South Africa. Kohl has just sent a friendly and encouraging message to De Klerk.

I concluded by stressing once more the need for consultation. You would be willing to see Kohl earlier than the planned Anglo-German summit at the end of March if he would find that useful. But the Germans could not expect us to moderate our insistence on proper consultation, to ensure that the consequences of unification were dealt with in an orderly manner. Teltschik said that the Germans wanted to co-operate and he would report your views to the Chancellor. But with events moving so fast, it was very difficult to reach conclusions on issues such as the relationship of a united Germany to NATO and the EC. I pointed out that we thought these issues should take precedence: we needed to know what was intended on NATO, Helsinki, Four Power rights and the EC before we went any further on unification. But I don't think the point is registering: unification is the only subject which matters. How that is handled will determine the electoral fortunes of all the principal players and the external aspects are a distraction.

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9 February 1990

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