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From the Private Secretary

10 February 1990

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Rene Amis
CBA 1071

GERMANY AND NATO

The Prime Minister has now been able to consider the Foreign Secretary's note on how a united Germany could be accommodated within NATO, sent under cover of your letter of 9 February.

The Prime Minister agrees that the second option identified in the note - Germany to remain a member of NATO, but NATO to forswear the deployment of non-German forces in the former GDR - is the only feasible one of the three. She notes that the Americans and Germans are anyway already discussing it with the Russians, so we do not have much choice. It is not without disadvantages. In addition to those which you point out, it would encourage the Russians to press for demilitarisation of the former FRG: and it would place the probable capital of a united Germany in an area where NATO would not be militarily present. But the Prime Minister agrees that the Foreign Secretary should support this option in discussion with his colleagues in Ottawa.

The Prime Minister has three substantive comments on option B:

- It must be absolutely clear that under this option, significant US forces and nuclear weapons would remain in that part of a united Germany that was formerly the FRG. This option must not be an excuse either for the Germans to try to secure removal of nuclear weapons from their territory or for the Americans to renege on the 'floor' of 195,000 US forces in the central zone. The Prime Minister would wish the Foreign Secretary to make this point very strongly.
- We must show some consideration for Mr Gorbachev's position. That depends in part on what he wants, and we shall no doubt have a better idea of this when Baker and Genscher debrief on their talks in Moscow. But the Prime Minister feels that we should be ready to envisage a substantial transitional period during which some numbers of Soviet forces would be allowed to remain in the former GDR, or at least along its eastern

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border. We should not be pressing for Soviet troops to be precipitately removed in a way which might undermine Mr Gorbachev's position. To put it bluntly, we have to bear in mind - although not say - that we might one day need the Soviet Union as a counter-balance to a united Germany.

- The Prime Minister thinks it unsatisfactory to have individual governments going off separately to Moscow to discuss the question of how to accommodate a united Germany within NATO. We should agree a position among the Western Four, and then discuss it in the Berlin Four plus the two Germanys forum. She considers a meeting in this forum more urgent than ever. She hopes that the Foreign Secretary will try very hard to secure an agreement on it in Ottawa.

Even with option B, there will be significant implications for NATO's force structure and strategy. The Foreign Secretary will want to take account of the comments by the Defence Secretary.

I am copying this letter to Simon Webb (Ministry of Defence) and Sonia Phippard (Cabinet Office).

Charles Powell

Stephen Wall Esq
Foreign and Commonwealth Office