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PRIME MINISTER

RELATIONS WITH PRESIDENT BUSH: GERMAN UNIFICATION

We have had a slightly curious report from within the White House to the effect that President Bush is very worried about some of your views on German unification, and about the poor state of Anglo-German relations. It comes from a senior official on Scowcroft's staff. He is well placed to know the President's thoughts. Equally, he is a bit of an intriguer and plotter, so one should not put too much weight on what he says. But it is sufficient to bring to your attention, and the Foreign Secretary may mention it at his next bilateral.

The basic points are:

- that when you spoke to the President on the telephone before Kohl's visit to Washington, you appeared to him to be proposing that the Soviet Union should be brought in to an entente cordiale as a counter-balance to a united Germany. The President is reported to have found this deeply worrying. Despite the changes which have taken place, he sees the Soviet Union as a deeply hostile power with massive military might directed against the United States and the West. He could not conceive how you could think of the Russians as posible allies against Germany. I think this is more a reflection of the President's own lack of understanding. My record shows that you were making two points: first, that it was important to develop the CSCE framework so that the Russians did not feel isolated in discussions of the future of Europe: and second that, looking to the much longer term, the Soviet Union was the only country which would be of equivalent size to a united Germany in Europe, and therefore politically a balance to it. The President does not seem to have grasped the sophistication of the point.
- that you seem to envisage demilitarisation of East Germany. This must be a total misunderstanding. You explained that this was what Genscher seemed to envisage, and you did not

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think it would be acceptable either to the West or to the Soviet Union.

that relations between Britain and Germany were unprecedentedly bad, to the extent that the Americans fear that Kohl may decline to sit down with us in the Four Plus Two Forum. This <u>must</u> be greatly exaggerated. But there is evidence that Kohl sees slights in almost everything we do at the moment.

It is alarming that the White House should be so muddled. The problem is magnified by the absence of an effective American Embassy here to explain and interpret our thinking. But it suggests a number of lessons:

- when you speak to the President on the telephone, you should explain your points in very simple language and repeat them.
- it argues for an early meeting with him to go over all these issues and eliminate misunderstandings.
- And it shows that we have a major problem in our relations with the Germans: it is caused much more by them than by us, but we need to be thinking how we can ease back into better relations with Kohl without surrendering any of the essential aspects of our policies.

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5 March 1990 jd c:bush