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TO IMMEDIATE WASHINGTON

TELNO 482

OF 161603Z MARCH 90

INFO IMMEDIATE PARIS, BONN, MOSCOW, EAST BERLIN

MY TEL NO 190 TO BONN

TWO PLUS FOUR TALKS: A PEACE SETTLEMENT

1. DISCUSSION IN THE TWO PLUS FOUR TALKS ON 14 MARCH FAILED TO AGREE ON WHETHER THE QUESTION OF A PEACE SETTLEMENT SHOULD BE PLACED ON THE AGENDA FOR FUTURE TALKS. THE FOUR WESTERN ALLIES HAD INDEED AGREED ON 13 MARCH THAT THE QUESTION SHOULD FORM PART OF THE FIRST AGENDA ITEM: BORDERS AND A GENERAL PEACE SETTLEMENT. BUT AT THE TWO PLUS FOUR THE GERMANS WHO WERE IN THE CHAIR APPEARED TO RESILE BY DROPPING THE SECOND HALF OF THIS ITEM, AND RECEIVED AMERICAN SUPPORT. WE SHOULD BE GRATEFUL IF YOU WOULD GO OVER THE GROUND AGAIN WITH ZOELICK AND/OR SEITZ IN ORDER TO EXPLAIN WHY WE BELIEVE THAT THE SUBJECT NEEDS TO BE ADDRESSED AND ALLIED VIEWS CLARIFIED.

2. FIRST, SOME MORE BACKGROUND IN AMPLIFICATION OF OUR REPORTING TELEGRAMS. ON 14 MARCH, KASTRUP'S ONLY REFERENCE TO THIS QUESTION WAS UNDER THE FOURTH AGENDA ITEM IN TERMS OF FOUR POWER RIGHTS AND RESPONSIBILITIES AND QUOTE SUCCESSOR ARRANGEMENTS UNQUOTE. WHEN ASKED TO EXPLAIN WHAT THIS MEANT, HE SUGGESTED REPLACING THE LAST TWO WORDS BY QUOTE THEIR TERMINATION UNQUOTE AND AGREED THAT THIS MIGHT BE TAKEN TO ENCOMPASS ALL ASPECTS OF A FINAL SETTLEMENT. IN THE ENSUING DISCUSSION ADAMISHIN DREW A DISTINCTION, WHICH IN OUR VIEW WAS JUSTIFIED, BETWEEN (A) THE TERMINATION AS SUCH OF OUR FOUR POWER RIGHTS AND RESPONSIBILITIES AND (B) ARRANGEMENTS AMOUNTING TO A GENERAL PEACE SETTLEMENT WHICH WOULD DRAW A LINE UNDER ALL THE WARTIME AND POST-WAR ARRANGEMENTS ARISING FROM THE CONQUEST OF GERMANY IN 1945. KASTRUP, HOWEVER, WAS ADAMANT IN OPPOSITION TO TERMINOLOGY RELATING TO A PEACE SETTLEMENT OR EVEN A PEACEFUL SETTLEMENT (WE ASSUME THAT THE PHRASE WAS TOO CLOSE TO QUOTE PEACE TREATY UNQUOTE FOR THE GERMANS' LIKING). BUT HE SAID HE COULD CONTEMPLATE A FORMULATION SUCH AS QUOTE THE POSSIBILITY OF A FINAL SETTLEMENT UNQUOTE. THIS, AS THE FRENCH POINTED OUT, COULD IMPLY THAT NO FORM OF FINAL SETTLEMENT WAS NEEDED. THE FRENCH PREFERRED SPECIFIC REFERENCE TO A PEACE SETTLEMENT. FOR OUR PART, WE DID NOT WISH TO EXPOSE INTERNAL DIFFERENCES ON THE PART OF THE WESTERN ALLIES AND ACTED THROUGH NOTES TO THE

Not mine!
CHAIRMAN. BUT KASTRUP WOULD NOT BE MOVED AND, SOMEWHAT TO OUR SURPRISE, WAS SUPPORTED THROUGHOUT BY ZOELLICK. THE MATTER WAS THEREFORE LEFT UNRESOLVED.

3. GRATEFUL IF YOU COULD TELL THE AMERICANS THAT WE THINK THAT THIS IS AN ISSUE WHICH NEEDS TO BE ADDRESSED SQUARELY AMONG THE WESTERN FOUR AND TALKED THROUGH SINCE IT WILL OTHERWISE BE A BONE OF CONTENTION, NOT ONLY BETWEEN GERMANY AND THE RUSSIANS, BUT OF WIDER SIGNIFICANCE. AS THE RUSSIANS HAVE OBLIQUELY POINTED OUT IN THE SOVIET FOREIGN MINISTRY'S STATEMENT (MOSCOW TEL NO 425), THE ISSUE FEATURES IN A TREATY BETWEEN THE FOUR WESTERN POWERS AS WELL AS BEING COVERED IN THE POTSDAM AGREEMENT. IT CANNOT THEREFORE BE EVADED. ARTICLE 7 OF THE 1954 CONVENTION ON RELATIONS BETWEEN THE THREE WESTERN ALLIES AND THE FRG STATES THAT QUOTE AN ESSENTIAL AIM OF THEIR COMMON POLICY IS A PEACE SETTLEMENT FOR THE WHOLE OF GERMANY, FREELY NEGOTIATED BETWEEN GERMANY AND HER FORMER ENEMIES, WHICH SHOULD LAY THE FOUNDATION FOR A LASTING PEACE ... THE FINAL DETERMINATION OF THE BOUNDARIES OF GERMANY MUST AWAIT SUCH SETTLEMENT UNQUOTE. THIS PHRASEOLOGY CLEARLY GOES BEYOND FOUR POWER INVOLVEMENT.

4. IN POINTING THIS OUT TO THE AMERICANS (WHOSE PAPER ON THIS SUBJECT PROMISED ON 28 FEBRUARY IS STILL AWAITED, INCIDENTALLY) YOU SHOULD STRESS THAT WE DO NOT HAVE FIXED AND RIGID VIEWS ABOUT THE ARRANGEMENTS WHICH MIGHT EVENTUALLY BE DEEMED TO AMOUNT TO A SETTLEMENT. IT CERTAINLY NEED NOT IMPLY A SINGLE OVERALL PEACE TREATY IN THE TRADITIONAL SENSE. WE WOULD SHARE MANY OF THE GERMAN RESERVATIONS ABOUT A PEACE TREATY, NOT LEAST BECAUSE IT MIGHT INVOLVE ANY OR ALL OF THE 57 BELLIGERENTS AND BECAUSE IT COULD GREATLY COMPLICATE THE HANDLING OF CLAIMS AND REPARATIONS. THIS IN TURN COULD LEAD TO A VERY LENGTHY PROCESS AND UNCERTAINTY, AND HENCE RISK INSTABILITY.

5. OUR PRELIMINARY VIEW IS THAT A SETTLEMENT COULD BE BROUGHT ABOUT THROUGH A FRAMEWORK COMPRISING SEVERAL DIFFERENT ELEMENTS AND INVOLVING A VARIETY OF PARTICIPANTS. THE KEY ELEMENTS WOULD INCLUDE BORDERS, RELATIONS BETWEEN THE THREE POWERS AND GERMANY, RELATIONS BETWEEN THE USSR AND GERMANY (TERMINATING USSR/GDR AGREEMENTS), BERLIN, AND RELATIONS BETWEEN THE FOUR POWERS AND GERMANY. OTHER ELEMENTS, PERHAPS NOT OF SUCH PRIMARY IMPORTANCE, WOULD INCLUDE AVIATION, THE QUESTION OF EXISTING TREATIES, REPARATIONS, DEBTS AND CLAIMS. (AN ILLUSTRATIVE NOTE BY LEGAL ADVISERS - NOT FOR HANDING OVER - FOLLOWS BY BAG.) ALL THIS MIGHT INVOLVE A NUMBER OF TREATY OR OTHER INSTRUMENTS BEING DRAWN UP AS PART OF A SETTLEMENT, WITH THE SETTLEMENT AS A WHOLE COMING INTO FORCE WHEN ALL STATES CONCERNED HAD RATIFIED THE

INSTRUMENTS. ON THAT DAY THE FOUR POWERS MIGHT ISSUE A DECLARATION FINALLY TERMINATING THE RIGHTS AND RESPONSIBILITIES ASSUMED IN 1945.

6. AT THIS STAGE WE WOULD REGARD THIS AS ILLUSTRATIVE ONLY. IT COULD BE SUSCEPTIBLE TO MUCH FLEXIBILITY AND VARIATION. BUT THE MAIN POINT OF SUBSTANCE, WHICH WE HOPE THAT THE AMERICANS WOULD RECOGNISE IS THAT AN OVERALL SETTLEMENT OF SOME SORT IS NEEDED). ON TERMINOLOGY, THIS CONCEPT IS DESCRIBED IN CURRENT TREATIES IN TERMS OF A PEACE SETTLEMENT. CLARITY POINTS TO CONTINUING TO USE THIS TERM. BUT THIS MAY NOT BE ESSENTIAL. WE COULD LIVE WITH THE TERM SETTLEMENT.

7. WE NEED TO DEVELOP A COMMON APPROACH TO ALL THIS AMONG THE WESTERN FOUR IF THE RUSSIANS ARE NOT TO HAVE A FIELD DAY AT OUR EXPENSE. THE GERMANS OUGHT TO BE PERSUADABLE THAT IT IS IN THEIR BROAD INTEREST TOO AND THAT THIS IS INDEED THE BEST WAY OF OUTFLANKING TALK OF A GENERAL PEACE TREATY. BUT THE AMERICANS MUST ENGAGE IN THE SUBSTANCE. SO FAR ZOELICK'S PERFORMANCE HAS BEEN DISAPPOINTING. HE SEEMS TO HAVE AN EXAGGERATED ATTACHMENT TO THE TACTICS OF THE MOMENT IN ANY GIVEN MEETING, AND TO PROTECTING WHAT HE CONCEIVES TO BE GERMAN INTEREST (QUOTING GENSCHER ALMOST MORE THAN KASTRUP DOES). BUT THERE IS NOT MUCH SIGN THAT HE HAS TAKEN ANY ADVICE WITHIN THE STATE DEPARTMENT ON THE HARD CORE OF THE SUBJECT MATTER, AND SEITZ IN HIS PRESENCE REMAINS VERY QUIET.

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