## CONFIDENTIAL

MEETING BETWEEN SIR J FRETWELL AND HERR HARTMANN (FEDERAL GERMAN CHANCELLERY), 1100 HRS, 11 OCTOBER 1989 COP

PRESENT:

Sir J Fretwell

Herr Hartmann

Mr Ryder (WED)

- Sir J Fretwell said the pace of change in Eastern Europe had become so rapid it was difficult to predict even two weeks ahead. There had been remarkable changes in Poland and Hungary and on the arms control front. There were signs that perhaps even in the GDR some change might be possible. Herr Hartmann agreed. There were indications that even within the SED there were voices of reform. Honecker seemed to be acting as a moderating influence. During his illness the problem of refugees in the FRG Embassy had escalated and met with no GDR response. Honecker had taken decisions, but he might not last long. Medical bulletins suggested as much.
- 2. Sir J Fretwell commented that we had not previously thought of Honecker as a moderating influence. In our view the short-term prospect was for the maintenance of a fairly hard line with no basic shift in GDR policy, but with a few ameliorating gestures. Herr Hartmann said the GDR could not hold out indefinitely if the Soviet Union, Poland and Hungary remained on their present courses. In 3-4 years there could be changes.
- On Poland Herr Hartmann said a date for Kohl's visit had been agreed. There would be a Joint Declaration and some bilateral agreements. He hoped that Hermes would be prepared to guarantee loans. But the FRG thought the US could do more. The future of Eastern Europe was not just a European problem. Sir J Fretwell commented that the US was already doing a lot. For our part we planned to increase our Know-How Fund. There was a great need for training in management. We were also looking at training in Western practices for political parties and other institutions.

Had the FRG succeeded in resolving the problems relating to the German minority in Poland? Herr Hartmann said that there was a formula in the joint declaration. Both sides had agreed to respect the identity of cultural minorities. The Germans in Poland would be allowed to form associations, print German newspapers and books, and make special arrangements for schools and teaching. But there were far more sensitivities in the FRG relating to Poland than to the Soviet Union. There was resentment in some quarters, and some people had sought to link the present discussions to insoluble legal questions.

- 4. Herr Hartmann said that in all there were about 1 million ethnic Germans in Poland, but 250,000 were likely to have moved permanently to the FRG in the course of 1989. In addition 30,000 Poles were seeking asylum in the FRG and another million had visited. 90,000 ethnic Germans would have left the Soviet Union for the FRG by the end of 1989. There had been talk of Soviet Germans returning to the Volga, but the Soviet Union had said there was resistance from the area's present inhabitants.
- 5. Sir John Fretwell asked how the FRG saw the large movements of people and the changes in Eastern European in relation to the EC, and particularly to the question of enlargement. Herr Genscher had spoken favourably about the admission of Austria. Herr Hartmann said Genscher did not believe that the EC should be an instrument of Ostpolitik. But COMECON was disintegrating. Hungarians were fed up with it, and he had the impression the Soviet Union was becoming resigned to its collapse. Turkey's application caused the FRG particular problems. The security argument was important, but the FRG could not accept the free circulation of Turks within the EC. There were already 1.5 million in the FRG, and new migrants would be likely to go to the FRG first. Many member states shared the FRG's reluctance on this issue, but no-one spoke out clearly. Sir J Fretwell commented that the Alliance should not be prejudiced. We would have to rely on the skills of the Commission to sound a positive note without actually opening the door. Herr Hartmann agreed. Kohl had urged Ozal not to apply for full membership, but to no avail.

- 6. Herr Hartmann asked how the UK saw the timetable for CFE talks. Sir J Fretwell said we disliked the idea of a rigid timetable. It tended to pressurise the Western side more than the Eastern, particularly in the last few months of negotiations. We were hesitant too about fixing ministerial meetings far in advance. Problems would be remitted to them instead of being tackled by the negotiators. But if there were problems which could not otherwise be solved, or alternatively major progress to register, we would not exclude one. Herr Hartmann commented that the FRG elections in December 1990 would influence the German approach. There could be interest on the German side in a Heads of Government meeting.
- 7. Herr Hartmann asked if we saw more possibilities for joint action on East/West matters. Sir J Fretwell said we were keen on a stepped up dialogue. He was expecting to meet Dr Kastrup in November, and there was provision for exchanges on human rights and on economic cooperation with Eastern Europe. We would not exclude specific joint action. Herr Hartmann said the UK and FRG should talk more about matters concerning the GDR. There had been much misrepresentation in the press and unfounded speculation about the FRG Government's position. There was no wish to endanger the GDR's stability. Chevènement had said to him on 10 October that the prospect of a German nation of 80 million people as a neighbour was an alarming one to the French. But as Chancellor Kohl was keen to make clear, reunification was not an immediate concern. Boundaries were not in question.
- 8. The meeting ended at 1145.

Western European Department 11 October 1989

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