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INFO IMMEDIATE EAST BERLIN, WASHINGTON

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FEDERAL GERMAN VIEWS ON EVENTS IN THE GDR

SUMMARY

1. SEITERS, AFTER HIS VISIT TO THE GDR, SEES A CERTAIN HELPLESSNESS AMONG EAST GERMAN LEADERS. FEDERAL GOVERNMENT ALSO FACES DILEMMAS. FEDERAL GOVERNMENT'S PUBLIC LINE REMAINS CAREFUL.

DETAIL

2. FEDERAL MINISTER SEITERS TODAY BRIEFED THE US AND FRENCH AMBASSADORS AND MYSELF ON HIS VISIT TO THE GDR ON 20-21 NOVEMBER. HE SAID THAT KRENZ AND MODROW HAD TOLD HIM THAT THEY WERE ENGAGED IN A RADICAL AND IRREVERSIBLE PROCESS OF REFORM. BUT THEY HAD SAID THAT THERE WAS CONSENSUS ON THREE POINTS IN EAST BERLIN: THE GDR WAS A SOCIALIST STATE, IT WAS AN INDEPENDENT STATE, AND REUNIFICATION WAS NOT ON THE AGENDA. THEY HAD SAID THAT WHAT THEY WERE ENGAGED IN WAS THE RENEWAL OF SOCIALISM; IT WAS NOT SOCIALISM THAT HAD FAILED BUT THE WAY IT HAD BEEN APPLIED. THEY HAD SAID THAT A NEW ELECTION LAW WOULD BE PUBLISHED EARLY IN 1990 AND FREE ELECTIONS HELD BETWEEN AUTUMN 1990 AND SPRING 1991 (COMMENT: THEY COULD BE NEAR IN TIME TO THE FEDERAL ELECTION IN DECEMBER 1990). KRENZ AND MODROW HAD SAID THAT THE GDR CONSTITUTION WOULD BE FUNDAMENTALLY CHANGED, AND THE LEADING ROLE OF THE PARTY WOULD BE DELETED FROM IT. SEITERS COMMENTED TO US THAT HE HAD THE IMPRESSION THAT THE PROVISION IN THE CONSTITUTION ABOUT CREATION OF A SOCIALIST ORDER IN THE GDR WOULD BE RETAINED. MODROW HAD SAID THAT LEGISLATION WOULD BE INTRODUCED TO ALLOW JOINT VENTURES WITH WESTERN COMPANIES. THE INNER GERMAN ECONOMIC COMMISSION, HITHERTO INACTIVE, WOULD CONSIDER HOW ECONOMIC RELATIONS COULD BE DEVELOPED. IT WAS AGREED THAT BERLIN MATTERS COULD BE CONSIDERED BY THE JOINT COMMISSION AND THAT WEST BERLIN COULD BE AMONG THE PLACES WHERE IT MET.

//(3. SEITERS SAID....)

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3. SEITERS SAID THAT INNER GERMAN TRAVEL HAD BEEN THE BIGGEST SUBJECT IN HIS TALKS. BY 24 NOVEMBER THE TOTAL NUMBER OF CROSSING POINTS BETWEEN THE GDR AND WEST BERLIN AND ALONG THE INNER GERMAN BORDER WOULD REACH NINETY-THREE. SEITERS HAD ASKED THAT THE MINIMUM EXCHANGE REQUIREMENT FOR WEST GERMANS VISITING EAST GERMANY BE ABOLISHED AND THAT MULTIPLE VISAS BE INTRODUCED. HE TOLD US THAT THE FEDERAL GOVERNMENT'S PURPOSE HERE WAS PARTLY DOMESTIC - TO GAIN BENEFITS FOR WEST AS WELL AS EAST GERMANS IN THE NEW SITUATION. THE EAST GERMANS HAD PROPOSED THAT, IF THEY MADE THESE CONCESSIONS, THE WELCOME MONEY OF DM 100 PER YEAR PER EAST GERMAN VISITOR SHOULD BE MAINTAINED AND, IN ADDITION, A FUND SHOULD BE ESTABLISHED, FINANCED BY THE FEDERAL GOVERNMENT TO THE TUNE OF DM 1.3 BILLION A YEAR, THROUGH WHICH EAST GERMAN VISITORS COULD EXCHANGE MONEY AT THE RATE OF 4.50 EAST MARKS TO DM 1. THE FEDERAL GOVERNMENT, SEITERS TOLD US, WAS READY TO CONSIDER A FUND BUT WELCOME MONEY WOULD HAVE TO BE TERMINATED, THERE WOULD HAVE TO BE LIMITS ON THE DURATION OF THE SCHEME AND ON THE AMOUNT THAT EACH VISITOR COULD EXCHANGE, AND THE GDR WOULD HAVE TO MAKE A DM CONTRIBUTION TO THE FUND. THE GDR WAS SO FAR NOT WILLING TO MAKE A CONTRIBUTION. THE MATTER WAS STILL UNDER DISCUSSION. THE FEDERAL GOVERNMENT HOPED TO REACH AGREEMENT BY THE END OF 1989, SO THAT WELCOME MONEY COULD END ON 31 DECEMBER. THE EAST MARKS GENERATED BY THE FUND WOULD PROBABLY BE USED FOR PROJECTS IN THE GDR WHICH WERE OF INTEREST TO THE FRG, NOTABLY DEVELOPMENT OF TOURIST FACILITIES AND ENVIRONMENTAL PROJECTS TO REDUCE TRANS-BORDER POLLUTION. THE GDR HAD OFFERED TO ALLOW PERSONS WHO HAD EMIGRATED ILLEGALLY TO WEST GERMANY TO VISIT EAST GERMANY, PROVIDED THE WEST GERMAN SALZGITTER CENTRE FOR RECORDING ACTS OF POLITICAL REPRESSION IN THE GDR WAS ABOLISHED.

4. SEITERS SAID THAT THE FRG WOULD CONTINUE TO FINANCE INFRASTRUCTURE PROJECTS IN THE GDR, NOTABLY IN THE FIELDS OF TELECOMMUNICATIONS, ENVIRONMENT, TRANSPORT AND TOURISM. HERE, TOO, WEST GERMANS AS WELL AS EAST GERMANS WOULD BENEFIT.

5. SEITERS SAID THAT HE HAD TOLD KRENZ AND MODROW THAT A "NEW DIMENSION" OF WEST GERMAN ECONOMIC SUPPORT WOULD BE FORTHCOMING ONLY IF ECONOMIC AND POLITICAL CHANGE IN THE GDR WAS GUARANTEED. IN REPLY TO MY QUESTIONS, SEITERS SAID THAT THE GDR CONSTITUTION WOULD HAVE TO BE CHANGED BEFORE NEW AID WAS PROVIDED BUT THAT THE AID MIGHT POSSIBLY START BEFORE GDR ELECTIONS, IF THE NEW ELECTORAL LAW CONVINCINGLY QUARANTEED FREE ELECTIONS.

//(6. SEITERS SAID...)

6. SEITERS SAID THAT HE WOULD RETURN TO EAST BERLIN IN TWO WEEKS. KOHL WOULD NOT GO BEFORE THE EAST GERMAN COMMUNIST PARTY CONGRESS IN MID-DECEMBER. BECAUSE OF OTHER EVENTS BETWEEN THEN AND CHRISTMAS, HIS VISIT TO THE GDR MIGHT BE DELAYED UNTIL EARLY JANUARY.

7. SEITERS COMMENTED THAT KRENZ AND MODROW BETRAYED A CERTAIN FEELING OF HELPLESSNESS. HE COMMENTED THAT THE MORE THE GDR REGIME STRESSED THE UPHOLDING OF SOCIALISM, THE HARDER IT WOULD BE FOR THE FEDERAL REPUBLIC TO HELP.

8. SEITERS WAS ASKED A NUMBER OF QUESTIONS ABOUT THE SURVIVABILITY OF THE EAST MARK. HE WAS RETICENT. HE AGREED THAT THE PROPOSED TRAVEL FUND COULD BE NO MORE THAN A HELP IN PROPPING UP THE EAST MARK. HE EXPECTED THAT THE GDR WOULD INTRODUCE BORDER CONTROLS ON GOODS AND CURRENCY, TO PREVENT FOREIGNERS BRINGING EAST MARKS IN TO THE GDR AND EAST GERMANS TAKING SUBSIDISED GOODS OUT FOR RESALE. HE SAID THAT THE INTRODUCTION OF WEST GERMAN CUSTOMS CONTROLS ON THE INNER GERMAN BORDER WAS POLITICALLY NOT ON. HE MENTIONED IN PASSING THAT THERE WERE CONTACTS BETWEEN THE FINANCE MINISTRIES IN BONN AND EAST BERLIN.

COMMENT

9. THE ACCOUNT BY SEITERS GIVES THE IMPRESSION THAT THE POLICIES SO FAR CONTEMPLATED BY THE GDR REGIME MAY NOT BE ENOUGH TO CONTROL EVENTS IN THE SITUATION CREATED BY THE OPENING OF THE FRONTIERS. SEITERS SEEMED TO RECOGNISE THAT THE EAST MARK MIGHT BE IN SEVERE DANGER BUT TO HAVE LITTLE IDEA HOW EAST OR WEST GERANY COULD SAVE IT. HE ALSO SEEMED TO RECOGNISE THAT, IF ELECTIONS IN THE GDR WERE DELAYED ABOUT A YEAR, THERE COULD BE A REALLY ACUTE CRISIS THERE IN THE MEANTIME. YET HIS REMARKS ALSO SHOWED THAT THE FEDERAL GOVERNMENT SEE PUBLIC OPINION HERE AS EXPECTING THEM NOT TO PROVIDE MAJOR NEW HELP TO THE GDR BEFORE THERE IS REAL POLITICAL AND ECONOMIC REFORM. IF THE CRISIS IN THE GDR BECOMES MORE SERIOUS BEFORE THERE IS MAJOR REFORM, THE FEDERAL GOVERNMENT'S DILEMMA BETWEEN HELPING THE PEOPLE AND NOT HELPING THE REGIME WILL BECOME ACUTE.

10. MEANWHILE THE FEDERAL GOVERNMENT'S PUBLIC LINE HAS NOT ALTERED. THE KEY FORMULAE IN KOHL'S SPEECH TO THE EUROPEAN PARLIAMENT ON 22 NOVEMBER (UKREP BRUSSELS TELNO 3638) WERE DERIVED FROM HIS SPECHES TO THE BUNDESTAG ON 8 AND 16 NOVEMBER (MY TELNOS 1061 AND 1121). HE REMAINS FIRMLY ATTACHED TO THE POSITION FIRST STAKED OUT BY ADENAUER, AND REFLECTED IN THE FEDERAL REPUBLIC'S BASIC LAW, THAT THE AIM MUST BE TO ACHIEVE A FREE AND UNITED GERMANY IN THE CONTEXT OF A FREE AND UNITED EUROPE. THIS WAS THE THRUST TOO OF GENSCHER'S PRESS CONFERENCE IN WASHINGTON ON 21 NOVEMBER (WASHINGTON TELNO 3044).

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