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INFO IMMEDIATE EAST BERLIN, BMG BERLIN
INFO PRIORITY WASHINGTON, MOSCOW, PARIS, UKDEL NATO-
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EAST BERLIN TELNOS 486, 487, 492: KOHL'S VISIT TO DRESDEN

SUMMARY

1. SEITERS BRIEFS AMBASSADORS OF THREE POWERS, STRESSING KOHL'S EMPHASIS IN DRESDEN ON THE NEED TO BE PATIENT AND TO TAKE ACCOUNT OF THE INTERESTS OF OTHER COUNTRIES. SEES FREE ELECTIONS AS A CERTAINTY. SEES NEW URGENCY IN WEST GERMAN ECONOMIC HELP, AND PLAYS DOWN THE NEED FOR ECONOMIC REFORM FIRST. MODROW'S MODERATE LINE TO KOHL ON GERMAN UNITY - 'NOT ACTUAL'. SEITERS JUSTIFIABLY CLAIMS PUBLIC SUCCESS FOR KOHL. MY COMMENTS ON PROSPECTS: INTENSE NEGOTIATION ON A PATTERN OF NEW COOPERATION AND INTENSE JOINT VENTURE ACTIVITY BY WEST GERMAN FIRMS. THE MANY UNCERTAINTIES.

DETAIL

2. FEDERAL MINISTER SEITERS BRIEFED THE US AND FRENCH AMBASSADORS AND MYSELF THIS MORNING ON KOHL'S VISIT TO DRESDEN. HE SAID THAT KOHL, IN ALL HIS PUBLIC STATEMENTS, HAD CALLED FOR PATIENCE AND MODERATION AND AN ORGANIC PROCESS OF DEVELOPMENT. HE HAD SAID THAT THE HOUR OF UNITY WAS COMING BUT THAT THERE WAS NO TIMETABLE. HE HAD SAID REPEATEDLY THAT THE GERMAN PROCESS WAS PART OF THE PROCESS OF CREATING UNITY IN EUROPE GENERALLY. HE HAD STRESSED STABILITY AND THAT THE INTERESTS AND CONCERNS OF OTHER COUNTRIES MUST BE TAKEN SERIOUSLY. FOR INSTANCE THE JOINT STATEMENT HAD SAID THAT ACCOUNT MUST BE TAKEN OF THE INTERESTS OF ALL OTHER PARTICIPANTS IN THE EUROPEAN PROCESS. THE PUBLIC REACTION IN THE GDR HAD BEEN VERY POSITIVE. THE OVERALL FEELING HAD BEEN THAT THE GERMANS WERE ONE FAMILY BUT KOHL'S CALL FOR MODERATION HAD BEEN HEARD WITH RESPECT. THE RISK FOR PUBLIC ORDER HAD BEEN AVOIDED.

3. SEITERS CLAIMED A FURTHER BREAKTHROUGH ON HUMANITARIAN LINKS BETWEEN THE TWO GERMAN STATES, WITH THE PROMISED RELEASE OF POLITICAL PRISONERS IN THE GDR, THE OPENING OF THE BRANDENBURG GATE ON 22 DECEMBER AND THE INTRODUCTION OF BEFORE CHRISTMAS OF FREEDOM

OF TRAVEL BY WEST GERMANS AND WEST BERLINERS IN THE GDR. SEITERS SAID THAT IT WAS NOW CERTAIN THAT THE GDR ELECTION ON 6 MAY WOULD BE A FREE ELECTION. ON THE ECONOMIC FRONT, KOHL HAD BEEN CONCERNED AT THE RISK OF A FURTHER WAVE OF EMIGRATION IF THE PEOPLE OF THE GDR WERE NOT CONVINCED THAT BETTER DAYS WOULD SOON BE HERE. MODROW HAD TOLD KOHL THAT HE WAS WORRIED ABOUT THE SERIOUS ECONOMIC SITUATION, WHICH COULD LEAD TO AN ESCALATION OF FEELING AMONG THE PUBLIC. IN REPLY TO MY QUESTION, SEITERS CONFIRMED THAT KOHL WAS NOW DOWN-PLAYING HIS POSITION THAT A NEW DIMENSION OF ECONOMIC HELP REQUIRED POLITICAL AND ECONOMIC REFORM. POLITICAL REFORM WAS NOW GUARANTEED: ECONOMIC REFORM WAS NOT, BUT ECONOMIC HELP, ESPECIALLY THROUGH NEW INVESTMENT AND INFRASTRUCTURE PROJECTS, COULD NOT WAIT.

4. SEITERS SAID THAT WHILE MODROW HAD INSISTED, IN TALKING TO KOHL, ON THE EXISTENCE OF TWO GERMAN STATES HE HAD EXPRESSLY LEFT OPEN THE POSSIBILITY OF CHANGE: HE HAD COMMENTED THAT REUNIFICATION AND FEDERATION (THE ONLY ASPECT OF THE 10 POINTS WITH WHICH HE HAD EXPRESSED DISAGREEMENT) WERE NOT ACTUAL AND WERE PART OF WIDER DEVELOPMENTS IN EUROPE. MODROW HAD SAID THAT THE GDR WOULD NOT ALLOW ITSELF TO BE BOUGHT OUT THROUGH NEW ECONOMIC LINKS AND HAD URGED THAT THE WEST GERMAN ELECTION CAMPAIGN SHOULD NOT SPILL OVER INTO THE GDR.

5. SEITERS SAID THAT KOHL'S AND MODROW'S MEETING IN THE FRG IN LATE JANUARY OR EARLY FEBRUARY WOULD PREPARE THE NEW FRAMEWORK TREATY ON COOPERATION, WHICH WOULD ESTABLISH THE 'TREATY-BASED ASSOCIATION' BETWEEN FRG AND GDR. THIS WOULD BE THE ROOF UNDER WHICH MANY SPECIFIC AGREEMENTS AND JOINT COMMISSIONS, ESPECIALLY IN THE ECONOMIC FIELD, WOULD BE AGREED. THE GDR GOVERNMENT PLANNED TO PUBLISH THE NEW LAW ON FOREIGN INVESTMENT BY 10 JANUARY. THAT WOULD REQUIRE ANOTHER CHANGE TO THE CONSTITUTION. VOLKSWAGEN HAD SECURED AGREEMENT TO A 50-50 JOINT VENTURE TO PRODUCE SMALL CARS IN THE GDR. SO 50-50 WOULD EVIDENTLY BE THE RULE FOR JOINT VENTURES. THAT WOULD ATTRACT FAR MORE WEST GERMAN INTEREST THAN IF WEST GERMAN PARTICIPATION IN JOINT VENTURES HAD BEEN KEPT BELOW HALF.

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6. COMMENTING ON THE VISIT, SEITERS SAID THAT IT HAD GONE WELL. THERE WAS STRONG APPROVAL IN THE FEDERAL GERMAN PUBLIC OPINION. KOHL HOPED THAT HE HAD HELPED TO CONSOLIDATE MODROW'S POSITION. IN REPLY TO A QUESTION, SEITERS SAID THAT MODROW WAS THE ONLY FIGURE OF ANY STATURE IN GDR POLITICS. YET THE PRESENT ASSESSMENT OF THE FEDERAL GOVERNMENT WAS THAT THE SED WOULD NOT WIN MORE THAN 10 PER CENT IN THE GDR ELECTIONS. SO THE QUESTIONS OF THE NATURE AND THE STABILITY OF GOVERNMENT IN THE GDR AFTER THE ELECTIONS WERE WIDE OPEN.

COMMENT

7. KOHL HAS CARRIED OFF THE RISKY ENTERPRISE OF A VISIT TO THE GDR WITH DIGNITY. HE HAS USED THE OPPORTUNITY TO TRY TO INSTIL MODERATION, AND CONTROL EXPECTATIONS, AMONG THE PEOPLE OF THE GDR. THE VISIT WAS A SUCCESS IN SUBSTANCE AND IN PUBLIC PERCEPTION IN THE FRG. HIS AND MODROW'S AIM IS TO HAVE THE FRAMEWORK TREATY FOR THE 'TREATY BASED ASSOCIATION' BETWEEN THE TWO GERMANIES IN PLACE BEFORE THE GDR ELECTIONS. THERE WILL NOW BE INTENSIVE INTERGOVERNMENTAL NEGOTIATIONS ABOUT MANY KINDS OF NEW COOPERATION. THERE WILL ALSO BE A BURST OF ACTIVITY BY WEST GERMAN FIRMS SEEKING JOINT VENTURES IN THE GDR. KOHL'S DOWN-PLAYING OF CONDITIONALITY FOR ECONOMIC AID MAY REDUCE SOVIET CONCERN ABOUT THE THIRD OF KOHL'S 10 POINTS (YOUR TELNO 1714 TO MOSCOW).

8. THE EXPECTATION HERE IS THAT A COURSE FOR REUNIFICATION IS NOW SET BUT THERE IS NO CLEAR FEELING OF THE TIME IT MAY TAKE. THE EARLY PROSPECT IS FOR MAJOR MOVEMENT TOGETHER BETWEEN THE TWO GERMAN STATES UNDER THE 'TREATY BASED ASSOCIATION'. THERE IS SOME HOPE HERE THAT THE RISK OF A COLLAPSE OF AUTHORITY IN THE GDR MAY NOW BE LESS. BUT, AS SEEN FROM HERE, IT IS AN OPEN QUESTION WHETHER THIS FEELING OF SOMEWHAT BETTER PROSPECTS WILL LAST. THERE ARE MANY UNCERTAINTIES. THE START OF FREE TRAVEL BY WEST GERMANS AND WEST BERLINERS IN THE GDR ON 24 DECEMBER COULD ALTER THE CHARACTER OF THE DEMONSTRATIONS THERE. SOME PEOPLE HERE ARE WONDERING WHETHER GROUPS FROM THE RIGHT-WING REPUBLIKANER PARTY COULD VISIT THE GDR AND SEEK TO CREATE TROUBLE. AFTER THE GDR ELECTIONS, WE SHALL ANYWAY BE IN A NEW PHASE.

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