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THE GERMAN QUESTION

SUMMARY

1. THE VIEW FROM THE FRG ON THE EVE OF THE PRIME MINISTER'S MEETING WITH MITTERRAND AND YOUR VISIT TO THE GDR. KOHL WELL PLACED POLITICALLY AT PRESENT, BUT WITH MANY HAZARDS AHEAD BEFORE THE ELECTION IN DECEMBER. HIS GOVERNMENT ACCEPT THE NEED TO WORK WITH THE ALLIES, AND HAVE AN OPEN MIND ON A NUMBER OF THE KEY ISSUES. IMPORTANT TO SEEK TO INFLUENCE THEM.

DETAIL

2. THE BACKGROUND IS IN MY TELNOS 56 AND 72. FOR THE PRESENT KOHL'S DOMESTIC STANDING IS HIGH, BUOYED BY THE STRONG PERFORMANCE OF THE ECONOMY AND A WIDESPREAD FEELING THAT HE SUCCESSFULLY SEIZED THE INITIATIVE ON THE GERMAN QUESTION WITH HIS TEN POINT PLAN. BUT THE COALITION PARTIES COMMAND A BARE OVERALL MAJORITY IN THE OPINION POLLS. AND THERE ARE HAZARDS AHEAD. WITH MIGRATION FROM THE GDR AT 25,000 SO FAR THIS MONTH, THERE IS A RISK OF DESTABILISATION THERE AND SEVERE ECONOMIC DIFFICULTY AND POLITICAL BACKLASH HERE.

3. THE SPD IS MAKING UP SOME OF THE GROUND IT LOST IN THE AUTUMN. IN CONTRAST TO THE CDU, WHICH HAS NO OBVIOUS PARTNER PARTY IN THE GDR, IT HAS BEEN ABLE TO ESTABLISH A 'CONFEDERAL' RELATIONSHIP WITH THE PROMISING NEW SDP (EAST). THIS MAY IN TIME BOOST SPD POPULARITY IN THE FRG. THE SPD LOOK POISED TO SELECT AS THEIR CHANCELLOR-CANDIDATE FOR THE ELECTION THE VOTE-GETTER LAFONTAINE. AN OPPORTUNIST WITH A KEEN NOSE FOR THE POPULAR MOOD, HE MIGHT CAPITALISE ON THE GROWING RESENTMENT ABOUT THE EFFECT ON HOUSING AND SOCIAL SECURITY COSTS OF THE IMMIGRANTS FROM THE GDR (MY TELNO 55).

4. AFTER A LONG PERIOD OF PRESSURE FROM THE SPD, FDP AND SECTIONS OF HIS OWN PARTY, KOHL HAS NOW MOVED SOME WAY ON THE ODER NEISSE FRONTIER (MY TELNO 75). THAT IS WELCOME IN SUBSTANCE. IT MAY HOWEVER

INCREASE THE CDU/CSU'S VULNERABILITY TO THE REPUBLIKANER ON THE FAR RIGHT. REPUBLIKANER SUPPORT IN CURRENT POLLS IS 3-4 PER CENT. IF THEY EXCEED 5 PER CENT IN DECEMBER AND GET INTO THE BUNDESTAG, THE PRESENT COALITION PARTIES WOULD NO LONGER HAVE A MAJORITY. ALREADY ON RECORD AS STRONGLY OPPOSED TO FOUR POWER RIGHTS, THE REPUBLIKANERS CAN BE EXPECTED TO MAKE CAPITAL OUT OF ANY IMPRESSION THAT THE ALLIES ARE FAILING TO SUPPORT THE GERMAN ASPIRATION TO UNITY IN LINE WITH THEIR STATEMENTS THROUGH THE YEARS.

5. IN FENDING OFF ATTACKS ON BOTH FLANKS, KOHL HOPES TO GAIN CREDIT FROM PRESIDING OVER RAPID BRIDGE-BUILDING BETWEEN THE GERMAN STATES. WHILE THE GOVERNMENT HAVE DECIDED THAT THERE CAN BE NO NEW TREATY ON THE PROPOSED 'CONTRACTUAL COMMUNITY' UNTIL AFTER THE GDR ELECTION, THERE IS A STRONG AND WIDESPREAD ASSUMPTION THAT A DECISION IN FAVOUR OF UNITY IS INEVITABLE SOON, WHETHER IT COMES BY POPULAR DEMAND IN THE GDR OR THROUGH A DECISION BY THE NEWLY-ELECTED GDR GOVERNMENT AFTER 6 MAY OR A PLEBISCITE. AGAINST THAT BACKGROUND BILATERAL CONTACTS ARE NOW PROLIFERATING: A BURGEONING SENSE OF BELONGING TOGETHER, THE NEW FREEDOM OF MOVEMENT ACROSS THE FRONTIER AND CLOSE COOPERATION BETWEEN THE POLITICAL PARTIES AND CHURCHES ARE MUCH IN EVIDENCE. AND WEST GERMAN BUSINESS, URGED ON BY GOVERNMENT, IS LOOKING FOR OPPORTUNITIES FOR SHORT TERM COOPERATION AND LONG TERM INVESTMENT IN THE GDR AS SOON AS JOINT VENTURE LEGISLATION IS IN PLACE THERE.

6. BUT THE FEDERAL GOVERNMENT DO NOT YET KNOW WHAT TO DO ON A NUMBER OF CRUCIAL ISSUES. WHAT WILL CONSTITUTE IN THE EYES OF THE INTERNATIONAL COMMUNITY THE NECESSARY ACT OF SELF-DETERMINATION BY THE GERMAN PEOPLE? HOW SHOULD THE DEVELOPMENT VIA CONFEDERAL STRUCTURES TO FEDERATION BE ORGANISED? WHAT TRANSITIONAL PERIOD AND ARRANGEMENTS WILL BE NEEDED? HOW TO RECONCILE GERMAN UNITY AND CONTINUING FRG MEMBERSHIP OF NATO? WHAT SHOULD BE THE RELATIONSHIP BETWEEN THE GDR AND THE EC?

7. SEITERS (CABINET MINISTER IN CHARGE OF THE FEDERAL CHANCELLERY) TOLD THE BUNDESTAG ON 18 JANUARY (MY TELNO 72) THAT THE FUNDAMENTAL QUESTIONS WOULD HAVE TO BE SETTLED IN HARMONY WITH THE FOUR POWERS. THE FEDERAL GOVERNMENT AND PUBLIC KNOW THAT ALLIED RIGHTS AND RESPONSIBILITIES REQUIRE THAT WE BE CONSULTED. THINGS ARE MOVING FAST. BRITISH, FRENCH AND AMERICAN ABILITY TO INFLUENCE EVENTS MAY BE AT ITS MAXIMUM NOW, WHILE KEY QUESTIONS REMAIN UNANSWERED IN GERMAN MINDS. THE MORE BRITAIN AND FRANCE SPEAK WITH ONE VOICE, THE GREATER THE EFFECT HERE CAN BE.

8. PERCEPTIONS OF ALLIED ATTITUDES TO THE PRINCIPLE OF GERMAN UNITY AFFECT OUR PULLING POWER. THE AMERICANS ARE SEEN AS THE MOST ACQUIESCENT, INDEED EVEN SUPPORTIVE. THE FRENCH HAVE MADE CONTRADICTIONARY STATEMENTS AND APPEAR TO GERMAN EYES RESERVED. BUT KOHL PLACES RELIANCE ON WHAT (TELTSCHIK TELLS ME) MITTERRAND HAS SAID TO HIM - THAT IF THE GERMANS WANT UNITY, THE FRENCH KNOW THEY CANNOT PREVENT IT. THE PERCEPTION HERE OF THE UK IS THAT WE ARE THE MOST RESERVED OF THE THREE ALLIES ABOUT GERMAN UNITY. *[an accurate perception]*

9. PLEASE ADVANCE TO PRIVATE SECRETARY, POWELL (NUMBER TEN) AND WESTON

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