

PRIME MINISTER

CALL BY THE GOVERNING MAYOR OF BERLIN ON
FRIDAY, 25 MAY, AT 1000

I attach briefs for your meeting with the Governing Mayor of Berlin, Herr Stobbe, whom you have agreed to receive at 1000 on Friday, 25 May. Herr Stobbe will be accompanied by Herr Gerhard Kunze (Berlin Senate Chancellery) and by a Counsellor from the FRG Embassy.

If you agree, Mr. Francis McGuinness, the Political Minister in the British Military Government, Berlin, will attend on our side.

(You will remember that Chancellor Schmidt, during his talks with you, stressed the symbolic value to the people of West Berlin of a photograph of you and Herr Stobbe at No. 10. In view of this, would you be prepared to have a photocall with Herr Stobbe on the front step when he arrives? *Yes*

I have attached to the briefs the texts of Chancellor Schmidt's message to you about the 30th anniversary of the Berlin airlift and of your reply - you may like to refer to this exchange during your talk with Herr Stobbe. *Yes*

23 May 1979

CONFIDENTIAL



Foreign and Commonwealth Office

London SW1A 2AH

22 May 1979

Dear Bryan,

Visit of the Governing Mayor of
Berlin

1-4.
SW
24/7

Thank you for your letter of 16 May.

/ A brief for the Prime Minister's use is attached.

Herr Stobbe will be accompanied by the Federal German Ambassador, by Herr Gerhard Kunze (a senior official in the Senate Chancellery) and by Herr Dietrich Lincke (Counsellor, FRG Embassy). I suggest that from the British side, Mr Francis MacGinnis (Minister, British Military Government Berlin) should also attend.

/ Personality notes on Herr Stobbe, Herr Kunze and the FRG Ambassador are also attached.

Yours truly

Paul

P Lever

B G Cartledge Esq
10 Downing Street

CONFIDENTIAL



VISIT OF THE GOVERNING MAYOR OF BERLIN,
HERR DIETRICH STOBBE

Speaking Notes

1. Very pleased to welcome you to London. Congratulations on the outcome of the recent Berlin Elections, and on your own re-election as Governing Mayor.
2. I am glad of this opportunity to renew the assurances which successive British Governments have given that Britain remains firmly committed to the maintenance of Berlin's security and viability. As Her Majesty The Queen said in Berlin last summer, the presence of British troops embody the British commitment to defend the freedom of Berlin until the division in Europe, and in your city, can be healed.
3. In general, the Quadripartite Agreement seems to be working well. The British Government welcomes the contribution which your own statesmanlike approach to Berlin problems has made to this state of affairs; we also appreciate the excellent relations you have established with the Allies in Berlin. We are grateful for the understanding you show of the difficulties faced by the Allies in carrying out their responsibilities in Berlin.
4. But despite the generally calm situation, friction continues between the Allies and the Russians over the interpretation of the Quadripartite Agreement. The future is not entirely unclouded. We cannot exclude the possibility that Eastern reactions to Berlin's qualified participation in Direct Elections on 10 June may go beyond verbal protests. If so, we must react firmly but non-provocatively. And, despite the many successes the Federal Government has had in

/its



2.

its policy towards the GDR in recent years, there have also been setbacks. The British Government were concerned by the restrictions recently imposed by the GDR on journalists' activity. Such actions seem to demonstrate a lack of self-confidence in the GDR Government. We made it clear to the GDR Ambassador that the measures ran counter to the relevant sections of the Helsinki Final Act. How do you see the future of Inner-German relations?

5. I am impressed by the energy you have shown in tackling Berlin's economic problems. Your exertions now seem to be bearing fruit. Berlin's political future can be assured only on the basis of a healthy economy. I appreciate the importance in this respect of ensuring that Berlin is able to play its full part in the life of the EEC. The main contribution that the Allies have made is by working to maintain a political situation in which the City is able to flourish. How do you assess future economic trends in Berlin, in such fields as the attraction of investment and the maintenance of jobs? I am aware that in terms of the quality of life, Berlin leaves very little to be desired.

Background

The Quadripartite Agreement

6. Berlin has been quiet recently. The Russians seem to have no interest in provoking a general crises in and around the City. But they have continued to protest at alleged violations of the Quadripartite Agreement (QA). These protests, in the main, focus on the provision in the QA that "the ties between the Western Sectors of Berlin and the FRG will be maintained and developed, taking into account that these Sectors continue not to be a constituent part of the FRG and not to be governed by it". The Allies and the Russians interpret this provision very differently. The majority of Soviet /protests



3.

protests are directed at practices, often involving Federal presence in the City and visits there by Federal Ministers, which the Allies defend as consistent with the QA.

7. The Soviet Union has never accepted Berlin's inclusion within the ambit of the EEC, and has recently shown particular hostility to the prospect of Berlin's participation, in accordance with a special procedure, in Direct Elections to the European Parliament. Expressions of Soviet displeasure have not so far proceeded beyond diplomatic exchanges. But there is a major point of principle at stake here for both the Soviet Union and the Allies; and there have been indications from the East that their reactions to Direct Elections on 10 June may not be confined to verbal protests. The Allies are considering contingency plans; these may involve making it clear to the East that measures such as the harassment of transit traffic would cause Western governments great concern.

Internal Political

8. The Berlin elections in March brought no significant change. The FDP and the Opposition CDU slightly increased their share of the vote at the expense of minority parties; the SPD (Herr Stobbe's party) share was the same as at the last elections in 1975. The SPD/FDP Coalition will continue to govern the City. But since the election, Herr Stobbe has shown a lack of sensitivity to grass-roots party opinion and has suffered some reverses in the construction of his Administration. His authority over his own Party and within the Coalition has been, to some extent, brought into question.

9. But the picture is by no means all black. Herr Stobbe is still very much in the driving seat. The economy is doing reasonably well. The psychological mood in the City is at a post-war high. Herr Stobbe's
/overall



4.

overall approach is sober and sensible. He is sound on inner-German policy and attaches importance to close co-operation with the Allies.

FRG/GDR Relations

10. In November 1978 the two German States reached agreement on a package of measures designed mainly to improve surface access to Berlin. Among other things, a new autobahn will be constructed between Berlin and Hamburg, and a canal in the south-west of Berlin will be reopened, thus reducing journey time for barges in transit. The advantage for the FRG will be improved access to Berlin; for the GDR it will be a substantial injection of hard currency, as the projects will largely be FRG-financed. The package is the most recent fruit of an FRG policy aimed at securing the position of Berlin, promoting inner German human contacts and - with eventual reunification in mind - generally preventing the two countries drifting apart. This policy has always been attended by setbacks. The most recent of these took place in April 1979, when the GDR authorities imposed new restrictions on the activities of foreign (mainly FRG) journalists in the GDR. The reason for the restrictions was probably reporting by FRG journalists, including interviews with GDR citizens, on reactions to measures by the GDR authorities to control the use of hard currency shops. The FRG protested strongly but refrained from countermeasures against GDR journalists which would infringe the principle of freedom of movement within Germany. The FRG asked its Allies for support; in London the GDR Ambassador was summoned and told that his Government's action ran counter to the relevant Section of the Helsinki Final Act.

/11.



5.

11. On 18 May there were indications in Berlin that the GDR intended to refuse entry permits for East Berlin and the GDR between 30 May and 5 June. Such GDR action could have constituted a breach of agreements reached by the two German States under 4-Power aegis. The latest indications are that application for permits are being processed normally.

12. In future it seems likely that inner German relations will continue to be uneasy, while neither side will risk a serious deterioration. The GDR has an over-riding interest in promoting inner German trade, through which it gains customs-free access to the EEC; the FRG attaches great importance to the viability of Berlin, and to the continuation of the present relatively liberal conditions governing access to East Berlin and the GDR by FRG citizens and West Berliners.

The Economy of West Berlin

13. The Berlin economy is characterised by:

- a) near total dependence on supplies and raw materials imported from the West, and hence on the access routes;
- b) dependence on enormous Federal subsidies; about DM 8,500 m. in direct subventions, and the same again in indirect subsidies;
- c) complete integration with the economy of the Federal Republic.

14. Concern about the long-term future springs not only from the City's political and geographical position, but from special factors such as:

- a) a declining population;
- b) inadequate investment;
- c) a loss of jobs as industries are modernised or overtaken.

/15.



15. Since he took Office in 1977, the Governing Mayor has maintained the restoration of business confidence and the attraction of new job-creating investment as major policy objectives. Confidence has improved, and so has the rate of investment, although it is not yet adequate. In 1978, a Commission consisting of representatives of all the Parties in the Bundestag in Bonn, made a series of proposals to stimulate the Berlin economy. Some of these have already taken effect, and has helped to generate cautious optimism. In 1979 a growth rate of 4% in the economy is expected.

STOBBE, DIETRICH

Governing Mayor (SPD), Berlin since May 1977.

Born in Weepers, East Prussia in 1938. Grew up in Stade, North Germany, before studying politics at the Free University in Berlin. Joined the SPD in 1969, a step which he claims was motivated by his admiration for Willy Brandt and the Bad Godesberg programme. 1961 and 1965 worked in Brandt's election campaign team in West Germany. 1962 Constituency Business Manager of the SPD in the Borough of Charlottenburg. 1963-66 Personal Assistant and Press Secretary to the then Senator for Youth and Sport, Neubauer. 1966-67 spent a year in business at the Kindle Brauerei. Since 1967 member of House of Representatives. 1967-73 Business Manager of Parliamentary Party. Senator for Federal Affairs 1973-77.

Throughout his career Stobbe has displayed intelligence, consistency and fairness. Although he stands squarely on the right of the SPD he has worked consistently for integration within the party. His nomination (rather against the odds) as Governing Mayor on the resignation of Klaus Schütz in 1977 reflected his acceptability to all factions of the party. It was also the early but logical culmination of his own unostentatious career planning and ambition. As Senator for Federal Affairs he was notably successful in furthering the close degree of cooperation necessary between the Senate and the Federal Government and he established an exceptionally good relationship with the Federal Chancellor as well as with the Allies in Berlin and Bonn.

Speaks French and English. Visited UK as guest of HMG in 1972 and annually after his appointment as Senator for Federal Affairs as part of a working tour of the three Allied capitals. Visited UK as Mayor in November 1977.

Married with two children.

CONFIDENTIAL

KUNZE, GERHARD

Senior Official in the Senate Chancellery responsible for relations with the Allies and since 1973 West Berlin Representative for negotiations with the GDR in the framework of the Visits Arrangement.

Born 1926. Educated in Dresden. 1947-51 studied law at Humboldt University, East Berlin. 1952 escaped to West Berlin. 1957 joined the staff of the Senate Chancellery.

From the time of his entry in the Senate Chancellery Herr Kunze has been closely concerned with the problems arising from the legal and constitutional position of Berlin and consequently with cooperation between the Senate and the Allies. He is also the leading expert at official level on relations with the GDR. He is now Head of the Section "Berlin Politik" reporting direct where appropriate to the Governing Mayor. He is held in great respect by both his superiors and his juniors as well as by the Allies for his long experience and sound judgement. His approach is legalistic and bureaucratic (in the good sense). At the same time he has always been cooperative and shown understanding for the Allied position.

Married. Two children.

CONFIDENTIAL

CONFIDENTIAL

HERR HANS HELLMUTH RUETE

Federal German Ambassador to London since 22 April 1977.

1. Herr Ruete was born in 1914 in St Petersburg and studied law at the Universities of Kiel, Marburg, Lausanne and Tokyo. He did Doctoral work on the Extra-territorial rights of the European powers in China and Japan. During the war he served in North Africa and the Soviet Union. He completed his studies after the war and joined the Federal Ministry of Justice in 1950.
2. In 1952 he transferred to the Foreign Ministry and served successively as Counsellor in Tokyo (1952-56); Head of the Soviet Department in the Foreign Ministry (1956-60); Harvard Center for International Affairs (1960-61); Consul-General Calcutta (1961-64). From 1964-66 he was Assistant Under Secretary in charge of East/West relations. From 1966-70 he was Deputy Under Secretary and Head of the Second Political Department at the Foreign Ministry. From 1970-72 Herr Ruete was Federal German Ambassador in Paris, and from 1972-77 Ambassador in Warsaw.
3. Herr Ruete is married with three children. He speaks good English as well as French, Russian and Japanese, and is reported to have English ancestors. His interests are listed as music, literature and theatre. His wife Ruth speaks French and English but is not yet completely at home in English.
4. Herr Ruete has a wooden leg, and looks his age. He has the manner - and the wisdom - of an old-fashioned family doctor. He and his wife did not find it altogether easy to follow in the footsteps of their dynamic and publicity-conscious predecessors, the von Hases. But he has an affection and admiration for Britain and warms up in response to friendliness.

CONFIDENTIAL



10 DOWNING STREET

From the Private Secretary

16 May 1979

BF 22/5/79

VISIT BY THE GOVERNING MAYOR OF BERLIN

Thank you for your letter of 14 May about the forthcoming visit to the UK by the Governing Mayor of Berlin, Herr Stobbe.

The Prime Minister has seen your letter and has agreed to receive Herr Stobbe at 10 Downing Street on Friday, 25 May, at 1000. I should be grateful if you would so inform the FRG Embassy.

I should be grateful if briefing could be prepared for the Prime Minister's talk with Herr Stobbe, in time to reach me by 1700 on 22 May. It would be helpful if you could also let me know at the same time who will be accompanying Herr Stobbe when he calls (I should be grateful if the entourage could be kept to a minimum). Would you suggest that an FCO Minister or senior official should also be present?

I am sending a copy of this letter to Martin Vile in the Cabinet Office.

B. G. CARTLEDGE

P. Lever, Esq.,
Foreign and Commonwealth Office.

cc Miss Stephens
cc Press Office



Prime Minister

cc Miss Stevens.
Foreign and Commonwealth Office

London SW1A 2AH

*You indicated to
Chancellor Schmidt that you
might be able to see Herr Stobbe.
Could you do so at 1000*

14 May 1979

Dear Bryan,

on Friday, 25 May?

Ben 14/5

Visit by the Governing Mayor of Berlin

The Governing Mayor of Berlin, Herr Stobbe, has been invited to pay a visit to this country as the guest of the Government from 24-26 May. He will be calling on the Lord Privy Seal at 12.15 on 24 May, and Sir Ian Gilmour will then host a lunch in his honour. Herr Stobbe will call on the Foreign and Commonwealth Secretary at 17.00 on 24 May. On 25 May, Herr Stobbe will open an exhibition at the RAF Museum at Hendon to commemorate the 30th anniversary of the Berlin air-lift at 12.30, and he will attend a reception at the Federal German Embassy at 18.00 hours on that day.

The responsibilities of Herr Stobbe's office are, because of Berlin's special circumstances, wider than his title suggests. He equates in importance with a senior minister in the Federal German Government. Herr Stobbe's visit to London will be his first after resuming office after the Berlin elections which took place in March. Since taking over from his predecessor, Herr Schuetz, in mid 1977, Herr Stobbe has had much success in bolstering confidence in the City and enhancing its economic prospects. His working relationship with the Allies is excellent.

Herr Stobbe is expected to visit Paris and Washington as well as London. In both these capitals he is likely to be given high level treatment (in Paris he will be received by President Giscard). During his last visit to London, in November 1977, Herr Stobbe was received at 10 Downing Street; and his predecessor was received by the Prime Minister of the day on three out of four occasions when he paid official visits to London. Herr Stobbe is therefore likely to attach particular importance to meeting the Prime Minister; and Chancellor Schmidt made a point of asking the Prime Minister to see Herr Stobbe at their recent talks. Lord Carrington hopes, therefore, that the Prime Minister will be able to agree to receive Herr Stobbe for a short talk. Could you let me know whether this will be possible and, if so, the date and time?

Yours etc

Paul

(P Lever)

Original on
JC filing
Germany, Sept. 77.



German 11

10 DOWNING STREET

From the Private Secretary

2 March, 1979.

BF 30/4/79

Visit by the Governing Mayor of West Berlin

Thank you for your letter of 1 March about the visit which the Governing Mayor of West Berlin is due to pay to the UK from 24 to 26 May.

The Prime Minister has seen your letter. He does not exclude the possibility that he may be able to receive Herr Stobbe, as he did during Herr Stobbe's last visit to London; but he cannot give a firm commitment to do so at this stage. I should be grateful if you would write to me again, with an outline of the programme which will then have been arranged for Herr Stobbe, at the end of April.

BCC

Paul Lever, Esq.,
Foreign and Commonwealth Office.

95