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MY TELELETTER OF 31 OCTOBER TO SIR J FRETWELL

GDR : A COUNTRY IN CRISIS

SUMMARY

1. KRENZ'S APPEAL ON 3 NOVEMBER, ON THE EVE OF A MASSIVE DEMONSTRATION, FAILS TO HALT A SECOND EXODUS VIA CZECHOSLOVAKIA. THE 'ACTION PROGRAMME', TO BE PUBLISHED AT THE CENTRAL COMMITTEE MEETING ON 8/10 NOVEMBER, PROMISES MUCH. BUT IT MAY WELL BE TOO LATE TO SAVE THE SED, WITHOUT A MOVE ON ITS LEADING ROLE'.

DETAIL

2. IN THE EVENING OF 3 NOVEMBER KRENZ WENT ON GDR TELEVISION WITH AN APPEAL TO THE CITIZENS OF THE GDR TO STAND FIRM AND TO DO ALL THEY COULD FOR THEIR COMMON HOMELAND. 'I APPEAL AGAIN TO THOSE CITIZENS WHO ARE THINKING OF LEAVING THE GDR : HAVE FAITH IN OUR POLICY OF RENEWAL'.

3. DETAILS OF THE FAR REACHING REFORMS PROMISED BY KRENZ TOGETHER WITH A FURTHER ROUND OF DISMISSALS OF THE OLD GUARD FROM THE POLITBURO, ARE SET OUT IN MIFT. MY 2 IFT COVERS THE DEMONSTRATION. (BOTH SAVING TO SOME.)

4. KRENZ HAS SO FAR RECEIVED TWO ANSWERS, NEITHER SATISFACTORY FROM HIS POINT OF VIEW. THE MOST IMMEDIATE CAME FROM THE CONTINUING STREAM OF PEOPLE LEAVING THE GDR FOR THE FRG VIA CZECHOSLOVAKIA. THE SECOND AND MOST DAMAGING IN MY VIEW, CAME FROM A RECORD CROWD OF ABOUT A MILLION DEMONSTRATORS IN THE ALEXANDERPLATZ IN EAST BERLIN ON 4 NOVEMBER (CARRIED LIVE ON GDR TELEVISION). THE MOST TANGIBLE FEELING WAS OF ANTIPATHY TO THE RULING SED AND THE MOST

INSISTENT DEMAND WAS FOR AN END TO ITS MONOPLY OF POWER.

5. ON 4 NOVEMBER A NEW GDR ARRANGEMENT AGREED WITH THE CZECHOSLOVAK GOVERNMENT CAME INTO EFFECT 'TEMPORARILY UNTIL THE ENTRY INTO FORCE OF THE (NEW) GDR TRAVEL LAW' UNDER WHICH PEOPLE LIVING IN THE GDR CAN LEAVE ON THEIR ID CARDS AND CROSS CZECHOSLOVAKIA WITHOUT A VISA. ALL WOULD BE ALLOWED TO RETURN TO THE GDR. THE LATEST WEST GERMAN ESTIMATE TODAY, 5 NOVEMBER, IS THAT ABOUT 10,000 PEOPLE HAVE TAKEN ADVANTAGE OF THIS TO EMIGRATE. QUEUES OF CARS ARE REPORTED TO BE CUTTING ACROSS THE SMALL SLICE OF CZECHOSLOVAKIA WHICH LIES BETWEEN THE SOUTH WEST BORDER OF THE GDR AND BAVARIA.

6. THE DRAFT OF THE NEW TRAVEL LAW IS DUE TO BE PUBLISHED ON 6 NOVEMBER FOR OPEN DISCUSSION FOLLOWED BY RATIFICATION BY THE VOLKSKAMMER. IT IS NOT YET CLEAR WHEN IT MIGHT COME INTO EFFECT. BUT IT LOOKS AS IF THE CZECHOSLOVAK EXIT MAY REMAIN OPEN FOR A FEW MORE WEEKS AT LEAST. PARTY CONTACTS HAVE TOLD US THAT THE NEW TRAVEL LAW WILL ENABLE PEOPLE TO TRAVEL FREELY TO THE WEST FOR 30 DAYS WITH THEIR FAMILIES. WE WILL SEE IF THIS LINE IS MAINTAINED IN THE LIGHT OF THE CZECHOSLOVAK EXPERIENCE.

COMMENT

7. EVENTS ARE SNOWBALLING OUT OF THE SED'S CONTROL. EVERY ATTEMPT TO TAKE THE INITIATIVE HAS BEEN OVERTAKEN BY EVENTS. OFFERED A YEAR AGO, KRENZ'S PACKAGE WOULD HAVE SEEMED REVOLUTIONARY AND COULD HAVE GAINED THE PARTY THE TRUST WHICH IT SO CRITICALLY LACKS NOW. BUT KRENZ'S PRESENT CONCESSIONS ARE SEEN AS BEING EXACTED UNDER DURESS. THIS TOGETHER WITH THE STRONG PERSONAL DISTRUST OF KRENZ HAS UNDERMINED THE EFFECT OF WHAT HAS BEEN DONE SO FAR AND PROMISED FOR THE FUTURE.

8. THE STRUGGLE BETWEEN THE PARTY AND THE PEOPLE HAS NOW FOCUSED ON POWER SHARING- THE LEADING ROLE OF THE PARTY. KRENZ HAS SO FAR BEEN UNYIELDING ON THIS WHILE THE DEMONSTRATORS HAVE BECOME MORE INSISTENT. I SPOKE ON 3 NOVEMBER TO GERLACH (HEAD OF THE LIBERAL DEMOCRATIC PARTY) WHO HAS CALLED FOR THE GOVERNMENT TO RESIGN. REMINDED HIM THAT HE HAD PREVIOUSLY ACKNOWLEDGED THE LEADING ROLE OF THE PARTY. BUT ONLY IF THE PARTY HAD THE CONFIDENCE OF THE PEOPLE, WAS HIS REPLY - AND THAT IS A WIDELY HELD VIEW.

9. THE NEXT FEW DAYS WILL BE CRITICAL FOR THE SED. IF THEIR 'ACTION PROGRAMME' AND NEW DRAFT TRAVEL LAW FAIL TO HALT THE EXODUS, THE COUNTRY WILL BE ON COURSE FOR POLITICAL AND ECONOMIC

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COLLAPSE. KRENZ'S GAMBLE IS THAT BY ALLOWING PEOPLE TO GO AND RETURN AND BY OFFERING A PERSPECTIVE OF REAL POLITICAL AND ECONOMIC REFORM, THEY WILL AGREE TO STAY. BUT SO FAR HIS PACKAGE LACKS THE CRITICAL INGREDIENT OF LEGALLY GUARANTEED POWER SHARING. AND THAT TOGETHER WITH 40 YEARS OF ACCUMULATED DISLIKE AND DISTRUST IS LIKELY TO TILT THE BALANCE AGAINST HIM.

10. IN THE MIDDLE OF A REVOLUTION, ALBEIT A PEACEFUL ONE, IT IS HARD TO PREDICT THE EXACT COURSE OF EVENTS. I BELIEVE VERY MANY EAST GERMANS WOULD PREFER TO STAY HERE BUT CHANGE THE SYSTEM. I ALSO THINK THAT THE CHANGES ON OFFER HAVE MADE AN IMPRESSION ON PEOPLE AND THE THE 'WIR BLEIBEN HIER' (WE REMAIN HERE) ELEMENT HAS BECOME STRONGER. THERE ARE NEVERTHELESS MANY PEOPLE WHO WILL CONTINUE TO VOTE WITH THEIR FEET UNTIL THE SED AGREE TO MOVE ON THE LEADING ROLE OF THE PARTY AND PUT INTO EFFECT THE PROMISES THEY ARE NOW MAKING. IF ONLY 50 TO 60 THOUSAND MORE WERE TO GO THEN I THINK THE ECONOMY COULD START ON A DOWNWARD SPIRAL WHICH IN A RELATIVELY SHORT TIME SCALE WOULD GIVE RISE TO A SECOND CRISIS (UNLESS THEY GET HELP FROM SOMEWHERE. BERTELE HAS TOLD ME THAT HE EXPECTS MINISTER SEITERS HERE ON 30 NOVEMBER).

11. HONECKER WAS DISMISSED AT THE SAME TIME AS THE EARTHQUAKE HIT SAN FRANCISCO. THE AFTER-SHOCKS ON THE POLITICAL ST ANDREAS FAULT LINE IN EUROPE ARE GATHERING RATHER THAN DIMINISHING IN INTENSITY.

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ADDITIONAL 8

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