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PRIME MINISTER

9 November 1989

GERMANY

The speed of events in East Germany prompts me to set down some thoughts on the German question. I see Michael Alexander has also written on the issue.

If we were asked a year ago, most of us would have answered that, of all the satellites, East Germany (perhaps with Romania) would prove the most resistant to change and that the Russians, with their immense military investment there, would do their utmost to ensure that this was the case. It has not worked out that way. By his general philosophy and by his talks with Honecker and Krenz, Gorbachev has played a crucial part in stimulating reform in the GDR. At the same time, his preoccupation with his domestic troubles has meant that East European governments generally have been permitted to carry out change in their own way. The condition of adherence to the Warsaw Pact which he laid down to you in September still applies and, in the case of the GDR, Falin has added the rider that "the statehood of the GDR must not be called into question". But what Gorbachev could do about it in practice if these bounds were over-stepped is becoming increasingly questionable.

There are a number of possible scenarios in the GDR:

- (a) It is still, I suppose, conceivable that demonstrations may be forcibly suppressed by hard-line elements. The army and security forces are intact and are not yet ready to acquiesce in change of which they would prove the main victims. We cannot entirely rule out martial law. But it becomes increasingly unlikely. If it came, it is doubtful if it could be long maintained. Soviet reaction would probably be adverse.

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- (b) A different but dangerous situation could arise if in a demonstration someone lost his head and there was accidental loss of life. So far, many demonstrations have not been closely organised and have relied heavily on individual good sense. Such an incident could spark off violent reaction in the FRG and would call for rapid East/West, essentially US/Soviet, communication.
- (c) The most likely and, from our point of view, the most attractive scenario is one of gradual liberalisation. The GDR would remain in the Warsaw Pact, thus reassuring the Russians. According to West German intelligence, the preferred prospect from a Soviet point of view is development into a humane and pluralistic state in which Soviet security interests would remain protected. According to the same sources, Krenz has been told he must come to terms with West Germany. Under this scenario, the GDR would approximate more and more to West Germany. There would be greater interdependence and, over time, a series of overarching institutions to bring the two states into closer consultation. But the proprieties would still be observed: strictly speaking, there would still be two Germanies.
- (d) There is, however, another scenario of very rapid change. Under this, the Communist Party rule in East Germany collapses; the people are given a free choice and sweep the SED away. They then take the natural next step and vote for reunification. This process could be accelerated by a continued exodus from East Germany, leaving an untenable situation there. Faced with such a proposal, West Germany would be bound to accept and the Western

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powers, already publicly committed to reunification or at least self-determination, could not object, whatever their private doubts. For Gorbachev, this would be a painful and dangerous situation.

→ As he has told you, he does not want reunification. ←
Particularly he would not want it on Western terms - in effect the absorption of the GDR into the Western security system. He would be alive to the dangers to him in the Soviet Union if he acquiesced. But again, we face the question of what could he do without posing unacceptable risks to perestroika and his international image. He could refuse to withdraw his forces, and could use them as a bargaining counter in a long haggle. But even this would be damaging in the light of local hostility and his professed adherence to the right of self-determination.

- e (e) It is just possible that, faced with this crisis and trying to extract some benefit from it, he would offer reunification on the basis of neutrality, as Stalin did in 1952. But this would probably be rejected by West Germany and again it is hard to see what Gorbachev could do to force his way at a tolerable price.

What are the policy implications for us?

- (a) First, we must welcome the process of change in the GDR and press the need for freedom and democracy there as the essential prerequisites. The emphasis should be on self-determination and a step by step approach, as in your statement today.
- (b) At the same time, whatever our private reflections, we cannot afford to show ourselves hostile to the prospect of German reunification. The thought

of a powerful German state, or two closely linked German states, in the centre of Europe, exercising great influence both to east and west, is highly unattractive. It is an ironic conclusion to our efforts and bloodshed over several generations. But we are publicly committed and, most important, there is little we can do to stop it. We can, however, do something to mitigate its effects, by ensuring a Germany well tied in to the West. Both Bush and Mitterand have recently publicly endorsed the right of Germans to self-determination and eventual reunification. If we stand out against that, or even remain silent, we shall merely sour our relations with our allies and diminish our influence, particularly in Washington.

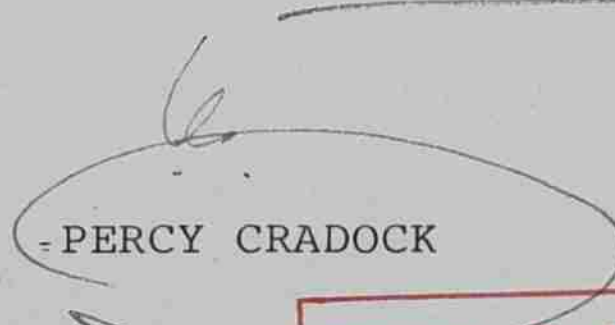
- (c) We need to maximise our contacts and influence in Bonn. This does not mean tagging behind the Germans on every issue. When we have complaints on German surpluses or subsidies, we should not hesitate to make them forcefully in the appropriate forum. But if we are to use to the full our influence, which is potentially great, we need to be in a position of regular and sympathetic communication with Bonn. This bears not only on East/West but also on Community relations. There may, for example, be an opening we can exploit in Kohl's wish for a Community more open to the East. This may modify his enthusiasm for deeper integration in the West.
- (d) We need a thorough discussion with Bush, for which your visit this month provides an admirable opportunity. But we shall have to take account of his public sympathy for reunification, the great weight the Administration place on relations with the FRG and Kohl's Government and their hope for close UK/German understanding.

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- (e) We should also discuss with the French, who share many of our security concerns
 - (f) There could be advantage in talks with the French, US and Germans based on our common security interests in Berlin, and as NATO partners.
 - (g) There are more immediate steps to be taken. You have already applauded the lifting of travel restrictions for East Germans. Given the inevitable Soviet worries, we might remind the US of the need for Western messages of assurance to Gorbachev to the effect that in the process of change, which we of course welcome, we have no intention of threatening vital Soviet security interests.

The object of all this would be to reduce the dangers in a process of change which neither East nor West can entirely control, also to ensure that we swim with the tide. From the wider standpoint, what is happening is an immense victory for us and for principles you have been foremost in upholding. It is not unalloyed pleasure, for the reasons given above. But it would be tragic if, because of this qualification, we failed to be given the credit due and allowed ourselves to be edged away from the centre of influence in the new Europe that is emerging.

The above are hasty thoughts in a fluid situation. I should welcome an opportunity for an early discussion.


-PERCY CRADOCK

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