

171936Z

ADVANCED PS TO NO 10

COMMENT:

UNCLASSIFIED

FM EAST BERLIN

TO DESKBY 171800Z FCO

TELNO 398

OF 171600Z NOVEMBER 89

INFO PRIORITY BONN, BMG BERLIN, PARIS

INFO SAVING EAST EUROPEAN POSTS, CICC(G) , BRIXMIS

NEW GDR GOVERNMENT

SUMMARY

1. LIST OF NEW MINISTERS.

DETAIL

2. FOLLOWING IS THE GOVERNMENT PROPOSED BY PRIME MINISTER
MODROW ON 17 NOVEMBER:

- DR HANS MODROW (SED), MINISTER- PRESIDENT (IE CHAIRMAN OF
COUNCIL OF MINISTERS, OR PRIME MINISTER)
- PROF DR CHRISTA LUFT (SED), DEPUTY CHAIRMAN OF THE COUNCIL OF
MINISTERS, RESPONSIBLE FOR ECONOMICS
- DR PETER MORETH (LDPD), DEPUTY CHAIRMAN OF THE COUNCIL OF
MINISTERS AND MINISTER FOR LOCAL
GOVERNMENT
- HERR LOTHAR DE MAIZIERE (CDU), DEPUTY CHAIRMAN OF THE COUNCIL
OF MINISTERS, RESPONSIBLE FOR
CHURCH AFFAIRS.
- DR H E GERHARD SCHUERER (SED), CHAIRMAN OF THE STATE PLANNING
COMMISSION
- DR - ING KURT SINGHUBER (SED), MINISTER FOR HEAVY INDUSTRY
- PROF DR KARL GRUENHELD (SED), MINISTER FOR MACHINE BUILDING
- DR GUNTER HALM (SED), MINISTER FOR LIGHT INDUSTRY
- DR KLAUS WOLF (CDU), MINISTER FOR POSTS AND TELE COMMUNICATIONS
- HERR HEINRICH SCHOLZ (SED), MINISTER FOR TRANSPORT
- HERR MANFRED FLEGEL, MP (NDPD), MINISTER FOR (INTERNAL) TRADE
AND SUPPLY
- PROF DR-ING GERHARD BAUMGAERTEL, (CDU) MINISTER FOR CONSTRUCTION
AND HOUSING
- DR HANS WATZECK, MP (DBD), MINISTER FOR AGRICULTURE, FORESTRY
AND FOOD
- DR HANS REICHELT, MP (DBD), MINISTER FOR ENVIRONMENTAL PROTECTION
AND WATER (NO CHANGE)

- PROF DR PETER-KLAUS BUDIG (LDPD), MINISTER FOR SCIENCE AND RESEARCH
- FRAU UTA NICKEL (SED), MINISTER FOR FINANCE AND PRICES
- FRAU HANNELORE MENSCH (SED), MINISTER FOR LABOUR AND WAGES
- DR GERHARD BEIL, MP (SED), MINISTER FOR EXTERNAL ECONOMIC RELATIONS (NO CHANGE)
- HERR OSKAR FISCHER, MP (SED), MINISTER FOR FOREIGN AFFAIRS (NO CHANGE)
- VICE ADMIRAL THEODOR HOFFMAN (SED), MINISTER FOR NATIONAL DEFENCE
- DR HANS-JOACHIM HEUSINGER, MP (LDPD), MINISTER FOR JUSTICE (NO CHANGE)
- DR WILFRED POSSNER (SED), MP, MINISTER FOR EDUCATION AND YOUTH
- DR DIETMAR KELLER (SED), MINISTER FOR CULTURE
- LIEUT GENERAL LOTHAR AHRENDT (SED), MINISTER FOR INTERNAL AFFAIRS
- PROF DR KNLAUS THIELMANN (SED), MINISTER FOR HEALTH AND SOCIAL AFFAIRS (NO CHANGE)
- PROF DR BRUNAD BENTHIEN, MP (LDPD), MINISTER FOR TOURISM
- LIEUT GENERAL DR WOLFGANG SCHWANITZ (SED), HEAD OF OFFICE FOR NATIONAL SECURITY
- HERR WOLFGANG MEYER (SED), GOVERNMENT SPOKESMAN AND HEAD OF THE PRESS OFFICE (NO CHANGE)

BROOMFIELD

FCD PSE PASS SAVING EAST BERLIN WILL PASS SAVNG TO CICC(G)
AND BRIXMIS
YYYY

ADVANCE	13	
.BERLIN/INNER-GERMAN RELATIONS		1
.(WIDE)		1
PS		1
PS/PUS		1
PS/SIR J FRETWELL		1
MR RATFORD		1
HD/WED		1
HD/SOVIET		1
HD/NEWS		1
RESIDENT CLERK		1
MR S MCCARTHY SEC(NATO/UKP)MOD		1
WG CDR ANDREWS DCTS NATO MOD		1
MRS GLOVER LEGAL ADV		1
MAIN	123	
.BERLIN/INNER-GERMAN RELATIONS		1
.(WIDE)		1
LIMITED		6
WED		9

SOVIET	5
EED	6
ECD(E)	6
SEC POL D	6
MAED	6
PUSD	26
CSCE UNIT	4
NEWS	9
INFO	11
NAD	4
PLANNERS	3
RESEARCH	1
RMD	1
CRD	2
PS	7
PS/MR MAUDE	1
PS/MR WALDEGRAVE	1
PS/PUS	1
PS/SIR J FRETWELL	1
MR P J WESTON	1
MR BAYNE	1
MR RATFORD	1
MR GOULDEN	1
MISS SPENCER	1
ADDITIONAL 13	
BERLIN/INNER-GERMAN (WIDE)	8
MR MANNING CABINET OFFICE	1
PS/NO 10.	4
SAVING 7	
BELGRADE	1
BUCHAREST	1
BUDAPEST	1
MOSCOW	1
PRAGUE	1
SOFIA	1
WARSAW	1
[J ARCHER]	

Bf 23/11
171936Z
FOR PS/NO 10
COMMENT:

UNCLASSIFIED
FM EAST BERLIN
TO DESKBY 171800Z FCO
TELNO 399
OF 171600Z NOVEMBER 89
INFO PRIORITY BONN, BMG BERLIN, PARIS
INFO SAVING EAST EUROPEAN POSTS, CICC(G) , BRIXMIS

MIPT: NEW GDR GOVERNMENT

COMMENT

1. MODROW'S LIST HAS STILL (1700Z ON 17 NOV) TO BE CONFIRMED BY THE VOLKSKAMMER. WE WILL TELEGRAPH IF UNEXPECTEDLY ANY ARE NOT VOTED THROUGH.

2. MODROW HAS PROPOSED A COUNCIL OF 28 MINISTERS COMPARED WITH THE PREVIOUS 45. RUMOURS CIRCULATING ON 16 NOVEMBER THAT NON-COMMUNIST "BLOC" PARTIES WOULD GET "ALMOST HALF THE GOVERNMENT POSTS" HAVE NOT BEEN BORNE OUT. THE SED HAVE 28 POSTS: THE OTHER PARTIES IN THE "NATIONAL FRONT" 11. 4 HAVE GONE TO THE LIBERALS (LDPD), 3 TO THE CHRISTIAN DEMOCRATS (CDU), 2 TO THE NATIONAL DEMOCRATS (NDPD) AND 2 TO THE FARMERS (DBD). THE SED HAVE RETAINED MOST OF THE KEY PORTFOLIOS, INCLUDING THE ECONOMY AND FINANCE, DEFENCE, FOREIGN AFFAIRS AND INTERNAL SECURITY.

3. THE BLOC PARTIES HAVE GREATLY IMPROVED THEIR REPRESENTATION WITH 11 OUT OF 28 PORTFOLIOS AS OPPOSED TO 4 OUT OF 45. MOREOVER, SOME OF THEIR PORTFOLIOS SUCH AS ENVIRONMENT, JUSTICE, CHURCH AFFAIRS, LOCAL GOVERNMENT, HOUSING AND CONSTRUCTION ARE CENTRAL TO MODROW'S PLANS FOR REFORMING THE GDR. THE BLOC PARTIES WILL BE ENCOURAGED TO MAKE A REAL CONTRIBUTION BY MODROW'S EVIDENT INTENTION THAT MINISTERS CONTROLLED BY PARLIAMENT WILL ACTUALLY GOVERN THE COUNTRY WITHOUT INTERFERENCE FROM THE SED PARTY APPARATUS.

4. THE MOST PROMINENT MINISTERS TO RETAIN THEIR OLD PORTFOLIOS ARE FISCHER (FOREIGN AFFAIRS, WHOSE APPOINTMENT WAS GREETED WITH A BURST OF APPLAUSE), BEIL (WHOSE RESPONSIBILITIES HAVE BEEN WIDENED FROM FOREIGN TRADE TO FOREIGN ECONOMIC RELATIONS), REICHELT (WHO REMAINS IN CHARGE OF THE ENVIRONMENT) AND HEUSINGER, THE LIBERAL WHO WILL HAVE NEW OPPORTUNITIES AT THE MINISTRY OF JUSTICE. BEIL HAD BEEN EXPECTED TO CONTINUE IN VIEW OF HIS EVIDENT ABILITIES AND IS LIKELY TO PLAY A ROLE AS LONG AS THE SED HAS INFLUENCE IN THIS COUNTRY. FISCHER ON THE OTHER HAND HAD WANTED TO RETIRE IN 1988 WHEN HE WAS 65. HE HAS BEEN KEPT ON WITH BEIL TO ENSURE CONTINUITY AND EXPERIENCE IN THE GDR'S EXTERNAL RELATIONS AT A TIME OF DOMESTIC CHANGE.

5. THE NEW SED MINISTERS ARE PEOPLE WITH QUALIFICATIONS AND EXPERIENCE RELEVANT TO THEIR PORTFOLIOS. THE NEW MINISTER OF ECONOMICS, PROFESSOR CHRISTA LUFT, WHO IS KNOWN TO THE

EMBASSY, HAS BEEN RECTOR OF THE BECONOMICS HIGH SCHOOL (A SORT OF LSE) SINCE 1988 (AND PROFESSOR OF FOREIGN ECONOMIC RELATIONS THERE SINCE 1971). THE NEW MINISTER OF DEFENCE, VICE ADMIRAL HOFFMANN MADE A GOOD IMPRESSION WHEN HE RECEIVED THE COMMANDER OF HMA ACHILLES AT THE GDR NAVAL ACADEMY IN STRALSUND IN JUNE. THE NEW MINISTER OF EDUCATION IS A QUALIFIED TEACHER OF GERMAN AND HISTORY ETC. MODROW CLEARLY INTENDS SED MINISTERS TO GIVE A GOOD ACCOUNT OF THEMSELVES IN PARLIAMENT AND IN THE COUNTRY.

BROOMFIELD

FCO PSE PASS SAVING
EAST BERLIN WILL PAS TO CICC(G) AND BRIMXMIS
YYYY

ADVANCE	13	
.BERLIN/INNER-GERMAN RELATIONS		1
.(WIDE)		1
PS		1
PS/PUS		1
PS/SIR J FRETWELL		1
MR RATFORD		1
HD/WED		1
HD/SOVIET		1
HD/NEWS		1
RESIDENT CLERK		1
MR S MCCARTHY SEC(NATO/UKP)MOD		1
WG CDR ANDREWS DCTS NATO MOD		1
MRS GLOVER LEGAL ADV		1
MAIN	123	
.BERLIN/INNER-GERMAN RELATIONS		1
.(WIDE)		1
LIMITED		6
WED		9
SOVIET		5
EED		6
ECD(E)		6
SEC POL D		6
MAED		6
PUSD		26
CSCE UNIT		4
NEWS		9
INFO		11
NAD		4
PLANNERS		3
RESEARCH		1
RMD		1
CRD		2
PS		7
PS/MR MAUDE		1
PS/MR WALDEGRAVE		1
PS/PUS		1
PS/SIR J FRETWELL		1
MR P J WESTON		1
MR BAYNE		1
MR RATFORD		1
MR GOULDEN		1
MISS SPENCER		1
ADDITIONAL	13	

BERLIN/INNER-GERMAN (WIDE)
MR MANNING CABINET OFFICE
PS/NO 10.
SAVING 7
BELGRADE
BUCHAREST
BUDAPEST
MOSCOW
PRAGUE
SOFIA
WARSAW
[J ARCHER]

8
1
4
1
1
1
1
1
1
1

171937Z
ADV PS/NO 10
COMMENT:

UNCLASSIFIED
FM EAST BERLIN
TO DESKBY 171800Z FCO
TELNO 400

OF 171700Z NOVEMBER 89
INFO IMMEDIATE BONN
INFO PRIORITY BMG BERLIN, PARIS, UKREP BRUSSELS, MOSCOW, UKDEL NATO
INFO ROUTINE PRAGUE, WARSAW, BUDAPEST, SOFIA
INFO SAVING EAST EUROPEAN POSTS, PEKING

MY TELNO 384: GDR: GOVERNMENT POLICY STATEMENT

SUMMARY

1. POLITICAL RENEWAL THROUGH PUBLIC CONTROL ON THE BASIS OF LEGAL GUARANTEES. ECONOMIC RENEWAL THROUGH DECENTRALISATION AND ELIMINATION OF PARTY INTERFERENCE, ALTHOUGH CENTRAL PLANNING WILL REMAIN. THE GOVERNMENT TO BE RESPONSIBLE TO PARLIAMENT. NEW ELECTORAL LAW AND CHANGES TO THE CONSTITUTION TO BE DEALT WITH IN COMMISSIONS. A NEW STYLE AND TONE.

DETAIL

2. THIS TELEGRAM GIVES THE TONE AND FLAVOUR OF PRIME MINISTER MODROW'S DECLARATION OF POLICY AT THIS MORNING'S SESSION OF THE VOLKSKAMMER. A FULLER REPORT FOLLOWS BY BAG.

3. MY TELNO 398 (NOT TO ALL) REPORTS THE COMPOSITION OF THE NEW GOVERNMENT. MODROW REDUCED THE CABINET FROM 45 TO 28. THE MAIN ECONOMIC AND SECURITY PORTFOLIOS REMAIN IN THE HANDS OF PARTY MEMBERS ALTHOUGH 11 PLACES GO TO MEMBERS OF THE OTHER PARTIES.

4. MODROW EMPHASISED THE DIVISION BETWEEN PARTY AND GOVERNMENT. "THE GOVERNMENT IS AND REMAINS AN ORGAN OF PARLIAMENT".

ECONOMIC

5. MODROW INDICATED THAT THE ECONOMY IS IN SERIOUS DIFFICULTY. EMIGRATION WHICH WAS STILL CONTINUING HAD "IN VITAL AREAS ALREADY CROSSED THE PAIN THRESHOLD". MODROW APPEALED TO ALL NOT TO CAUSE FURTHER DAMAGE TO THE ECONOMY OR PUBLIC SERVICES.

6. THE AIM OF THE ECONOMIC REFORM WAS TO REDUCE TO A SENSIBLE LEVEL CENTRAL DIRECTION AND PLANNING. BUT "ECONOMIC REFORM DID NOT MEAN DOING AWAY WITH THE PLAN".

7. FACTORIES AND COLLECTIVES SHOULD HAVE THEIR TASKS REDEFINED AND RESPONSIBILITY FOR INVESTMENT AND PRODUCTION DECISIONS DECENTRALISED TO THEM.

8. THE GDR WAS OPEN TO PROPOSALS FROM CAPITALIST PARTNERS. JOINT VENTURES, PARTICIPATION IN INVESTMENT, TRANSFER OF PROFITS, PILOT PROJECTS IN ENVIRONMENT "ARE NO LONGER FOREIGN WORDS FOR US".

Ri Minister

Some interesting

points.

CBM. 17/K

POLITICAL

9. "A NEW SOCIALIST SOCIETY" IS TO BE BUILT. THE SOCIALIST STATE SHOULD NOT DIRECT ITS CITIZENS BUT SERVE THEM.

10. IN THE STATE, BASED ON THE RULE OF LAW, WHICH WE WANT, "BASIC AND HUMAN RIGHTS ARE GUARANTEED". "THE EQUALITY OF ALL CITIZENS BEFORE THE LAW WILL BE STRICTLY OBSERVED BY THE ORGANS OF THE STATE".

11. THE REFORM OF EDUCATION IS NECESSARY. YOUNG PEOPLE ARE NO LONGER TO BE BROUGHT UP AS "YES-SAYERS" OR TWO-FACED CONFORMISTS. INDIVIDUALITY AND TALENT ARE TO BE PROMOTED.

FOREIGN

12. THE GDR REMAINS TRUE TO ITS OBLIGATIONS IN THE WARSAW PACT.

13. THE RIGHTS AND DIGNITY OF ALL PEOPLE ARE TO BE GUARANTEED EVERYWHERE. "IN THIS SENSE THE GDR WOULD WORK IN THE CSCE PROCESS IN FUTURE".

FRG

14. THE REFORMS NOW UNDER WAY ARE THE WAY OF PRESERVING THE SELF-DETERMINATION OF THE GDR ON A NEW FOUNDATION. NOT THROUGH PROTESTATIONS BUT THROUGH THE NEW REALITY OF LIFE IN THE GDR WILL BE ABLE TO REBUFF FIRMLY SPECULATION ABOUT REUNIFICATION AS A PRESENT TASK. SUCH SPECULATION IS BOTH UNREALISTIC AND DANGEROUS.

15. "THE GOVERNMENT OF THE GDR IS PREPARED TO RAISE COOPERATION WITH THE FRG TO A NEW LEVEL. THIS APPLIES TO ALL FIELDS".

16. THE GDR IS PREPARED TO EXPRESS ITS POSITION IN A "TREATY PARTNERSHIP" WHICH GOES WELL BEYOND THE BASIC TREATY AND OTHER TREATIES SO FAR CONCLUDED.

EC

17. THE 1992 INTERNAL MARKET IS A GREAT CHALLENGE WHICH WE ALSO CONSIDER TO BE AN OPPORTUNITY. "WE ARE MAKING EFFORTS TO AGREE AS RAPIDLY AS POSSIBLE COOPERATIVE RELATIONS WITH THE EUROPEAN COMMUNITY."

18. MODROW REFERRED TO A WHOLE RANGE OF OTHER AREAS WHERE REFORM WAS NECESSARY EG, A MEDIA LAW, CULTURAL POLICY, ADMINISTRATIVE REFORM, ETC. HE MENTIONED BRIEFLY THE NEW LAW ON ELECTIONS AND CHANGE TO THE CONSTITUTION. THESE LATTER TWO POINTS APPEAR AS SPECIFIC ITEMS ON THE VOLKSKAMMERS AGENDA AND WILL BE DEALT WITH LATER TODAY OR POSSIBLY TOMORROW.

19. NEUES DEUTSCHLAND (ND) HAS, HOWEVER, ALREADY REPORTED THAT, AT YESTERDAY'S MEETING OF THE COALITION PARTIES, AGREEMENT HAD BEEN REACHED TO RECOMMEND TO THE VOLKSKAMMER THAT COMMISSIONS SHOULD BE SET UP TO PREPARE DRAFTS ON BOTH POINTS FOR PUBLIC DISCUSSION AND CONSIDERATION IN THE VOLKSKAMMER. I EXPECT POSITIVE VOTES ON BOTH RECOMMENDATIONS.

20. THE VOLKSKAMMER'S AGENDA ALSO INCLUDES THE ESTABLISHMENT OF A TEMPORARY COMMITTEE TO INVESTIGATE CORRUPTION, A PROPOSAL FOR THE MODERNISATION OF THE PROCEDURES OF THE CHAMBER AND

ITS COMMITTEES, AND THE RECEIPT OF THE ATTORNEY-GENERAL'S
REPORT ON THE SECURITY FORCES' BEHAVIOUR ON 7/8 OCTOBER.

COMMENT

21. MODROW SPOKE CONFIDENTLY AND CLEARLY INTENDED TO ESTABLISH
HIS OWN AUTHORITY AND THAT OF HIS GOVERNMENT. HE ACKNOWLEDGED
THAT CHANGE HAD BEEN INITIATED BY THE PEOPLE. MOST OF WHAT HE
HAD TO SAY WAS FORESHADOWED IN THE COMMUNIQUE TO EMERGE FROM
THE LAST CENTRAL COMMITTEE MEETING (MY TELNO 377). BUT HIS
STYLE AND TONE WERE A WORLD AWAY FROM HIS PREDECESSOR
(STOPH 75). THERE IS NOW A SECOND POWER CENTRE IN THE GDR.

BROOMFIELD

FCO PSE PASS SAVING

YYYY

ADVANCE	13	
.BERLIN/INNER-GERMAN RELATIONS		1
. (WIDE)		1
PS		1
PS/PUS		1
PS/SIR J FRETWELL		1
MR RATFORD		1
HD/WED		1
HD/SOVIET		1
HD/NEWS		1
MR S MCCARTHY SEC(NATO/UKP)MOD		1
WG CDR ANDREWS DCTS NATO MOD		1
MRS GLOVER LEGAL ADV		1
RESIDENT CLERK		1
MAIN	123	
.BERLIN/INNER-GERMAN RELATIONS		1
. (WIDE)		1
LIMITED		6
WED		9
SOVIET		5
EED		6
ECD(E)		6
SEC POL D		6
MAED		6
PUSD		26
CSCE UNIT		4
NEWS		9
INFO		11
NAD		4
PLANNERS		3
RESEARCH		1
RMD		1
CRD		2
PS		7
PS/MR MAUDE		1
PS/MR WALDEGRAVE		1
PS/PUS		1
PS/SIR J FRETWELL		1
MR P J WESTON		1
MR BAYNE		1
MR RATFORD		1
MR GOULDEN		1