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PRIME MINISTER

MEETING WITH HERR GENSCHER

Herr Genscher is over here tomorrow to see the Foreign Secretary, who will bring him for a brief meeting with you at 5 pm.

Although he is not exactly your favourite person - and knows it - Genscher is a major force in current East/West politics. He is also Germany's most popular politician. Whether or not his purposes are sinister, his outward conduct over the present events in Eastern Europe and East Germany has been more responsible than that of Chancellor Kohl. He has played down the reunification issue and taken the lead in reaffirming Germany's border with Poland. He understands the need to reassure the Russians. But on arms control - particularly SNF - and the European Community he is devilish and likely to become more so as the German elections approach. He will be no help at all at Strasbourg.

On Eastern Europe, you will want to ask him to explain the plan for bringing the two Germanies closer together which Kohl is unveiling to the Bundestag today. This apparently envisages free elections as the first step (probably not until 1991), followed by the setting up of joint committees to explore co-operation in various fields, with German unity restated as a long term aspiration and subject to the consent of the four powers. You will want to reiterate your view that the priority is to get genuine democracy in Eastern Europe (Genscher agrees), and not to raise the question of borders. Anything else lies well down the road.

Meanwhile we must preserve existing Alliance structures and the forces - including nuclear weapons - which make them credible. Above all we must keep US forces and nuclear weapons in Europe: on this at least you agree with Henry Kissinger's recent article. Anyway we have a full arms control agenda, with the priority being to reach a CFE agreement next year. We all continue to be bound by the communiqué of the NATO Summit last May, both its arms control and defence aspects.

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There seems little point in discussing European Community issues, since he is solidly against it. You might just let him know that you have no intention of subscribing to the Social Charter in its present form, and we think it premature to set a date for an IGC before any serious work has been done within the Community on the substance of the later stages of EMU. We do not follow the argument that developments in Eastern Europe mean that we should accelerate European integration: indeed it seems to us rather insulting to Germany, since it appears to cast doubt on her European commitment. We also have strong doubts - which Chancellor Kohl seemed to share - about the need for a Development Bank for Eastern Europe, which would only duplicate existing institutions.

I don't think there is anything to be gained by having what might subsequently be presented publicly as a row with Genscher. It would only be used against you. We would simply confirm after the meeting that you had reiterated our policy on all the main issues.

You will find in the folder:

- a note by the FCO
- telegrams about Genscher's last meeting with the Foreign Secretary and his visit to Washington.

CDP
C. D. POWELL

28 November 1989

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