

CONFIDENTIAL



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DECEMBER

3 November 1989

The Rt Hon Margaret Thatcher MP
Prime Minister
10 Downing Street
London SW1

Dear Prime Minister,

*Seen by the
Rie Minister, e
discussed by me
with Sir R. Alexander*

THE GERMAN QUESTION

1. When I last wrote to you on a policy issue, some 18 months ago, it was to make a point about the likelihood of growing instability in the Soviet Union and Eastern Europe. The trend of events since then seems to have been only too predictable even if the pace and detail of the drama could not have been foreseen.

2. I did not deal explicitly in that letter with the German question. But it was Germany I had in mind when I referred to the need for Western Europe, in the face of the gathering uncertainties, to be held together by "stronger glue". I know from the discussions at Chequers in September how deeply the problem concerns you. Having spent 48 hours in East Berlin earlier this week I venture now to write in greater detail since "Germany" is ever more obviously the critical European issue (apart from the fate of the USSR itself) for the next decade.

3. Two things must strike any visitor to East Germany today:

(a) the still appalling state of the urban infrastructure and environment once one gets away from the main show places. Life for the average East German may be somewhat better than for his counterpart in Poland or Czechoslovakia. But not much. In any case the contrast with the situation in West Berlin and the Federal Republic is stunning; and

(b) the rapidly accelerating unease in the country. The causes are self-evident eg the influence of the reform movement in other East European countries and

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the gulf between the indigence of the East and the prosperity of the West. In recent weeks the pre-existing problems have been exacerbated by the apparent loss of will on the part of the authorities and by the impact of the mass emigration to the West. It is of course the young and the employable who are leaving - the doctors, the dentists, the technicians and the skilled workers. Their exodus will have an increasingly severe knock-on effect on the quality of life for those who remain in the GDR. Policies such as importing Vietnamese are essentially irrelevant. The present situation cannot be sustained for very long - and a self reinforcing downwards spiral may already be in motion.

4. It would be wrong to assume that an explosion is imminent. The self control shown by the East Germans has been remarkable. The street parades and mass meetings have so far revealed a people peacefully taking their destiny into their own hands. It is conceivable that violence can still be avoided. Krenz may prove willing to accept the role of a transitional figure and to be ready to surrender his party's monopoly of power. On the other hand he may not. What matters is that in East Germany, even more perhaps than in the rest of the Warsaw Pact, there can now be no going back. Any attempt to reverse course will provoke a massive increase in emigration, an upheaval of some kind and an unpredictable reaction in the Federal Republic.

5. The implications of this are, obviously, profound. There has been a tendency in recent months to focus on the question of German unity. Whatever one's private thoughts on the subject, reunification can no longer be ruled out. As I said at Chequers, I do not see how we can deny the Germans the right of self-determination which we accord, indeed urge upon, everyone else. Nor can we now try to obscure the prospect of a unity which Western governments have accepted as the right of the Germans in innumerable public statements over the last generation. To attempt to do so will be to risk triggering off the resentment which has caused so much trouble in the past.

6. But while reunification is a prospect with which, in my judgement, the rest of Europe is going to have to come to terms in the years ahead, I do not believe it is the immediate problem. No-one can be sure. But in so far as the initiative lies with the East Germans they will, I suspect, approach the unity issue with caution - so long at least as a descent into chaos is avoided. The same probably goes for the West Germans.

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7. The immediate problems are those flowing from the rapprochement, short of reunification, between the two Germanies and the need for the rest of us to respond to this. My own guess is that whatever the precise evolution of events in the GDR there is bound to be a quantum jump in the mutual involvement of the two states in the months ahead. Emigration will intensify unless and until some form of democratic government is installed in East Berlin. The progress of events in East Germany will be overwhelmingly more important for the government and the electorate of the Federal Republic than any other issue. The West Germans will insist on being involved and on helping their neighbours (if only, to be cynical, to stem the flow of emigrants since the Federal Republic cannot absorb them indefinitely). In the slightly (but not much) longer term, and assuming a reforming government in East Berlin, this will mean public and private assistance on a vast scale to help put the East German political and social system, the economy, the environment etc to rights. Whether or not reunification is in prospect, the two countries will become interdependent. Assuming, again, that chaos is avoided East Germany will become more efficient and more productive more rapidly than any other member of COMECON. The weight of the economic and political power of the Germans will quickly make itself felt throughout Eastern Europe - not least by contrast with the situation in the other Warsaw Pact states. I doubt whether there is now anyone who can stop this happening.

8. You will know at first hand how President Gorbachev views this prospect. I can only draw from the statements of his own spokesmen (as well as from those from official spokesmen in Warsaw and Budapest who presumably know which way the wind is blowing) the conclusion that he is increasingly resigned to letting the countries of Eastern Europe, including the GDR, go their own way. In any case, whatever his intentions, it becomes daily more difficult to see how he could hope to reimpose order on a bloc which is visibly disintegrating. The will and the means to discipline not one but a growing number of recalcitrant allies seems bound to diminish in proportion to the intensification of the Soviet Union's internal problems. Cohesion in and among authoritarian regimes is not something which is available in moderate doses: either one has it or one does not.

9. You said to me at Chequers that I was better at identifying problems than at providing answers. I doubt whether problems now presenting themselves in Europe have any answers as such. But it seems to me vital that the German problem is publicly acknowledged by HMG as being of crucial importance and that we make plain our determination

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to be involved, sympathetically, in the search for solutions. Given the unattractiveness - not least in its likely approach to the German question - of any alternative government in Bonn, this means indicating understanding for the line now being taken by Chancellor Kohl (who has been careful to play down the reunification issue). It would also seem to mean underlining our welcome for the events in East Germany and our recognition, without too much qualification, that German unity is a possible eventual outcome which we would not seek to prevent.

10. Our policy in the period beyond the next German election depends too heavily on events which cannot now be forecast to be worth speculating about in this letter. But, for the reasons already stated, I am sure that we should eschew in our statements any suggestion that we hanker after several Germanies instead of one. That may be where we will end up but not if we are actively seen to be seeking such an outcome.

11. Recognition of the need to support the present Bonn government is a principal explanation of the stance adopted by the Bush Administration towards the Federal Republic in recent months. You may, I imagine, hear more of this during your visit next week. If the UK distances itself too obviously from Bonn and the German question in general we shall inevitably diminish our ability to influence events. I doubt whether even the French (whose distaste for the prospect of a central Europe dominated by Germany is great indeed) would at this stage join us in sounding a negative note. The French have always seen their European policy (including their defence policy) as much in terms of coping with the German problem as anything else. It has often seemed to me that we would be wise to think in the same terms.

12. I would have thought that there was now an opportunity for you to make a major statement on European issues looking beyond the (as they appear for the moment) more parochial issues of the Community. A speech from you describing the need, which I know you feel, for a strong and cohesive association of Western European states within the Alliance to provide stability in the dangerous, if exciting, years ahead, coupled with a sympathetic and generous analysis of the German question as well as a clear presentation of our policy towards Eastern Europe and the Soviet Union, would have a very considerable impact throughout all the countries of the Alliance - and beyond. I cannot help thinking - though I am of course less well placed to judge - that it would also have a positive echo at home.

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13. Reverting to the Chequers discussion, I should perhaps record that the events described above are in my judgement going to cause increasing trouble in the months immediately ahead with at least two aspects of the issues raised at your seminar:

(a) if the Soviet Union is indeed increasingly resigned to a progressive reduction of its involvement in Eastern Europe, it will be anxious that others reduce their presence in Western Europe. Our negotiators in Vienna are going to hear a lot more of the Soviet proposal that all stationed forces should be included in the CFE and, in the longer term, that all such forces should be withdrawn from Europe. Both in the immediate and in the ultimate sense this approach is going to beguile many Germans - in both camps. We shall have to remind them forcefully of the implications for the Alliance; and

(b) the deployment in the FRG of modernised short range nuclear forces - particularly of a follow-on to Lance - is going to be even more difficult to achieve than had hitherto seemed likely.

14. I fear this is a long letter to have stemmed from a mere 48 hours in East Berlin. But the issues are enormously important. Your views on them should be heard.

Yours ever

Michael

Michael Alexander