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FM EAST BERLIN

TO DESKBY 040900Z FCO

TELNO 433

OF 040900Z DECEMBER 89

INFO DESKBY 040900Z UKDEL NATO (PSE PASS PS/NO 10 AND PS)

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GDR: POLITBURO AND CENTRAL COMMITTEE RESIGNATION

SUMMARY

1. FOLLOWING REVELATIONS ABOUT WIDESCALE CORRUPTION AMONG SENIOR PARTY OFFICIALS, THE POLITBURO AND CENTRAL COMMITTEE AS A WHOLE RESIGNED ON 3 DECEMBER. PARTY UNITY AND MORAL IS SHATTERED. NO LEGITIMATE SOURCE OF AUTHORITY IN THE COUNTRY.

DETAIL

2. ON 1 DECEMBER THE VOLKSKAMMER HEARD A A DRAARD A PRELIMINARY REPORT BY THE CHAIRMAN OF THE COMMITTEE LOOKING INTO ABUSE OF OFFICE AND CORRUPTION AMONG SENIOR (SED) PARTY FIGURES IN THE PREVIOUS REGIME. THE REVELATIONS WERE DETAILED AND SENSATIONAL. HOUSES HAD BEEN BUILT FOR THE SONS AND DAUGHTERS OF POLITBURO MEMBERS (STOPH, KLEIBER AND KROLIKOWSKY) USING PUBLIC FUNDS. 20 PER CENT OF THE FOREST IN NEUBRANDENBURG HAD BEEN RESERVED FOR SHOOTS AND HOUSES FOR SENIOR PARTY FIGURES. MITTAG AND HONECKER HAD RECEIVED 20,000 MARKS A YEAR EACH SINCE 1978 ON THE ORDERS OF THE PREVIOUS MINISTER FOR CONSTRUCTION, ETC ETC.

3. SED DEPUTIES LAID THEIR HEADS ON THEIR ARMS IN THE VOLKSKAMMER IN DESPAIR. OTHER PARTIES REACTED WITH VIOLENT CRITICISM OF THE OLD GUARD. KRENZ SOUGHT TO DISSOCIATE HIMSELF, BUT FAILED TO CARRY CONVICTION. ON THE FOLLOWING DAY HE WAS BOOED AND HECKLED BY A CROWD OF PARTY MEMBERS OUTSIDE THE CENTRAL COMMITTEE BUILDING WHEN HE SOUGHT TO SPEAK TO THEM.

4. THE UPSHOT WAS AN EXTRAORDINARY CENTRAL COMMITTEE MEETING ON 3 DECEMBER WHERE AFTER STORMY DEBATE THE CENTRAL COMMITTEE AND POLITBURO AS A WHOLE RESIGNED. THE PARTY IS TO BE DIRECTED BY A SPECIAL 'WORKING COMMITTEE', 25 STRONG, NONE FROM THE PRESENT POLITBURO, TO PREPARE THE SPECIAL PARTY CONGRESS ON 15-17 DECEMBER.

PAGE 1
CONFIDENTIAL

5. MITTAG, TISCH AND MUELLER, EX POLITBURO MEMBERS, HAVE BEEN ARRESTED AND ARE TO STAND TRIAL. HONECKER AND 11 OTHER MEMBERS OF THE PREVIOUS POLITBURO AND CENTRAL COMMITTEE HAVE BEEN EXPELLED FROM THE PARTY.

6. ALTHOUGH DISPUTED THERE HAS BEEN A CALL IN KARL MARX STADT FOR A GENERAL STRIKE ON 6 DECEMBER.

COMMENT

7. SCANDALS AND REVELATIONS WILL CONTINUE. SCHALK GOLODKOWSKI, STATE SECRETARY IN CHARGE OF HARD CURRENCY FINANCE HAS ESCAPED ARREST BY GOING INTO HIDING ABROAD AND HAS ASKED LAWYER VOGEL TO REPRESENT HIM IN THE GDR.

8. DISARRAY AND DISUNITY IN THE PARTY IS NOW TOTAL. ITS MORAL AUTHORITY IN THE COUNTRY HAS COLLAPSED. IN THE SEARCH FOR LEGITIMACY SOME HAVE NOW BEGUN TO QUESTION THE RIGHT OF THE EXISTING PARLIAMENT, FULL OF OLD TIME FIGURES, TO CONTINUE TO REPRESENT THE PEOPLE. PRESSURE COULD ONCE AGAIN BUILD UP FOR VERY EARLY ELECTIONS EVEN THOUGH THE OPPOSITION GROUPS SAY THEY DO NOT WANT THIS.

9. AS FOR THE FUTURE IT IS CLEAR THAT THE PARTY CONGRESS WILL BE DOMINATED BY REFORMERS. THE PARTY MAY SPLIT INTO TWO ORIGINAL CONSTITUENT PARTS - A SOCIAL DEMOCRATIC PARTY AND A SMALLER HARD-CORE COMMUNIST PARTY.

10. THE ONLY SENIOR FIGURE TO EMERGE WITH HIS REPUTATION ENHANCED IS PRIME MINISTER MODROW. HE WAS ASKED TO BE A MEMBER OF THE 'WORKING COMMITTEE' BUT DECLINED ON GROUNDS THAT HE NEEDED TO CONCENTRATE ON GOVERNMENT BUSINESS. KRENZ REMAINS AS HEAD OF STATE BUT HIS DAYS ARE NUMBERED.

11. THERE WILL ALSO BE AN EFFECT ON THE UNITY/REUNIFICATION DEBATE. IN A LONG CONVERSATION WITH LAWYER VOGEL ON 2 DECEMBER, IE BEFORE THE POLITBURO/CENTRAL COMMITTEE RESIGNATION, HE TOLD ME HE SAW NO HOPE OF THE GDR PRESERVING ITS SEPARATE IDENTITY. THE PARTY WHICH TOOK THE CLEAREST POSITION IN FAVOUR OF UNITY WITH THE FRG WOULD WIN THE NEXT ELECTION WHICH WOULD PROBABLY HAVE TO BE ADVANCED FROM SEPTEMBER 1990. I AM INCLINED TO AGREE WITH HIM.

12. ONCE AGAIN EVENTS HAVE OVERTAKEN THOSE SUPPOSEDLY DIRECTING