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TO IMMEDIATE FCO

TELNO 092

OF 251804Z JANUARY 90

INFO IMMEDIATE EAST BERLIN, BMG BERLIN, WASHINGTON, PARIS

INFO PRIORITY MOSCOW, UKDEL NATO, UKREP BRUSSELS

MY TELNO 31: CALL ON KOHL: GERMAN QUESTION

SUMMARY

1. KOHL DESCRIBES TO ME HIS CONCERN ABOUT THE PRESENT JUNCTURE IN THE GDR AND THE DIFFICULTY OF PROMOTING THERE A PARTNER FOR THE CDU. BUT HE EXPRESSES OPTIMISM ABOUT EARLY MOVES TO GIVE THE GDR POPULATION A FEELING OF LIGHT AT THE END OF THE TUNNEL. THEREFORE BELIEVES THAT GDR SHOULD REACH ELECTIONS ON 6 MAY WITHOUT COLLAPSE.

2. KOHL EXPECTS AFTER THAT AN EAST GERMAN COALITION FAVOURING UNITY. HE IS THINKING IN TERMS OF TRYING THEN TO ARRANGE AN ORGANISED PROCESS UNTIL THE COMPLETION OF GERMAN UNITY, IN LINE WITH HIS TEN POINTS. HE LET FALL THE DATE OF 1 JANUARY 1995 AS A POSSIBLE TIME FOR TRANSITION FROM CONFEDERATIVE STRUCTURES TO A GERMAN FEDERATION. THAT WOULD BE CONDITIONAL ON DISCUSSION WITH OTHERS, THOUGH NOT THEIR EXPLICIT APPROVAL. FRONTIERS TO BE SETTLED THEN. ALSO CONTINUED STATIONING OF US FORCES IN GERMANY. KOHL UNABLE TO ANSWER QUESTION HOW TO RECONCILE GERMAN UNITY AND NATO. STRESSES HIS WISH TO WORK CLOSELY WITH THE THREE WESTERN ALLIES AND PROMISES VERY CLOSE CONTACT ABOUT THE PROPOSED TREATY ON A CONTRACTUAL COMMUNITY WITH THE GDR, TO BE CONCLUDED AFTER THE ELECTIONS THERE.

DETAIL

3. KOHL RECEIVED ME FOR AN HOUR TODAY, AT HIS SUGGESTION. I BEGAN BY DESCRIBING YOUR VISIT TO THE GDR, YOUR TALK WITH MODROW, AND WHAT YOU HAD SAID IN PUBLIC. KOHL AGREED THAT THE EAST GERMAN GOVERNMENT WAS WEAK. HE DISMISSED MODROW'S ESTIMATE THAT THE REPUBLIKANER PARTY MIGHT HAVE 15-20 PER CENT SUPPORT IN THE GDR AS EMOTIONAL GUESSING. HE FORECAST THAT THE SED WOULD FALL BELOW 10 PER CENT IN THE GDR ELECTIONS. THE EAST GERMAN SPD HAD GOT OFF TO A GOOD START AND WAS NOT BURDENED BY PAST ASSOCIATION WITH THE COMMUNIST REGIME. THE FEDERAL CDU WAS HAVING DIFFICULTY IN PROMOTING A PARTNER IN GDR POLITICS. BUT AN ALLIANCE OF OPPOSITION GROUPS WITH VIEWS SIMILAR TO THOSE OF THE CDU WOULD BE FORMED IN 2-3 WEEKS. KOHL WOULD VISIT THE GDR TO SPEAK TO THIS NEW ALLIANCE, THUS DEMONSTRATING THAT THOSE IN

THE GDR WHO SUPPORTED HIM AND THE ATTITUDES OF THE FEDERAL CDU SHOULD VOTE FOR THE NEW ALLIANCE. KOHL REMARKED THAT THE TWO MOST POPULAR POLITICIANS IN THE GDR WERE HIMSELF AND WILLY BRANDT.

4. I ASKED HOW A BREAKDOWN BEFORE THE ELECTIONS IN THE GDR COULD BE PREVENTED. KOHL SAID IT WAS TRAGIC THAT MODROW HAD MADE THREE SERIOUS MISTAKES: THE ATTEMPT TO RESUSCITATE THE SECRET POLICE, THE DELAY AND HESITATION ABOUT ECONOMIC REFORM, AND THE DELAY OVER THE ELECTORAL LAW. BUT KOHL WAS CONFIDENT THAT A RANGE OF STEPS WOULD NOW BE TAKEN TO GIVE THE EAST GERMAN POPULATION CONFIDENCE THAT THERE WAS LIGHT AT THE END OF THE TUNNEL, SO THAT THE RATE OF EMIGRATION SHOULD DECLINE. KOHL BELIEVED THAT SEITERS, VISITING EAST BERLIN TODAY, WOULD BE TOLD THAT THOROUGH-GOING ECONOMIC REFORM HAD BEEN DECIDED, INCLUDING THE CONCESSION THAT FOREIGN PARTICIPATION IN JOINT VENTURE COMPANIES MIGHT EXCEED 50 PER CENT. KOHL SAID THAT HE WAS IN CONTACT WITH ABOUT 50 MAJOR WEST GERMAN COMPANIES WHICH WERE INTERESTED IN JOINT VENTURES. HE WOULD PERSUADE THEM TO TAKE IMMEDIATE STEPS TO DEMONSTRATE THAT THOSE JOINT VENTURES WOULD COME SOON. AS SOON AS THE THREE POINT STAR OF MERCEDES WAS SHINING ABOVE THE PLANNED SITE OF A MERCEDES CAR FACTORY IN THE GDR, PEOPLE WOULD SEE THAT LIFE WAS GOING TO GET BETTER. KOHL ALSO BELIEVED THAT 400-500 SMALL BUSINESSES WOULD BE ESTABLISHED WITH WEST GERMAN PARTICIPATION IN THE COMING MONTHS. ONE EXAMPLE, OF WHICH HE KNEW, WOULD BE A SMALL FIRM PRODUCING WINDOWS FOR SALE TO THE BOOMING CONSTRUCTION INDUSTRY IN WEST GERMANY. ANOTHER DEVELOPMENT WHICH WOULD GIVE EARLY HOPE TO EAST GERMANS WOULD BE THE INSTALLATION WITH WEST GERMAN HELP IN THE COMING MONTHS OF SEVERAL HUNDRED THOUSAND MODERN TELEPHONES WITH INTERNATIONAL DIRECT DIALLING.

5. I SAID THAT SELF-DETERMINATION REQUIRED SOME CLEAR ACT OF CHOICE. KOHL SAID THAT THE NEW GOVERNMENT IN THE GDR AFTER THE ELECTIONS WOULD DECLARE FOR GERMAN UNITY. I SAID THAT THERE WOULD STILL BE A NEED FOR AN ORDERLY PROCESS FOR CHANGE THEREAFTER. KOHL AGREED, AND SAID THE CRITICAL NEED WOULD BE TIME. MANY THINGS WOULD NEED TO BE ARRANGED WITHIN GERMANY. FOR INSTANCE, THE EXTREMELY DIFFERENT SOCIAL SECURITY SYSTEMS WOULD NEED TO BE AMALGAMATED. MEANWHILE, WEST EUROPEAN INTEGRATION SHOULD GO AHEAD AS FAST AS POSSIBLE. THE MORE GERMAN SOVEREIGNTY WAS FUSED IN THE EUROPEAN COMMUNITY, THE LESS THERE SHOULD BE ARTICLES ABOUT A SUPPOSED FOURTH REICH IN LONDON NEWSPAPERS. I INTERJECTED THAT THE ARTICLE IN QUESTION, BY CONOR CRUISE O'BRIEN IN THE TIMES, HAD BEEN WRITTEN BY A FORMER IRISH MINISTER. KOHL CONTINUED THAT A UNITED GERMANY, ALTHOUGH THE CAPITAL WOULD BE BERLIN IN THE EAST, WOULD HAVE ITS ECONOMIC WEIGHT IN THE WEST AND SOUTH-WEST. THE SOUTH-WEST WAS WHERE ECONOMIC GROWTH

HAD RECENTLY BEEN STRONGEST, THAT WOULD CONTINUE AND AN ECONOMIC MIRACLE IN THE GDR WOULD NEVER MAKE AS IMPORTANT ECONOMICALLY AS THE SOUTHERN FRG. THE WEST OF GERMANY WAS THE HINTERLAND TOWARDS THE COMMUNITY, IN WHICH GERMANY'S ECONOMY WOULD REMAIN EMBEDDED.

6. KOHL LET FALL, AS A POSSIBLE EXAMPLE, THAT THE DATE OF 1 JANUARY 1995 MIGHT BE WHEN GERMANY WOULD MOVE FROM CONFEDERATIVE STRUCTURES TO FEDERATION. HE WOULD WANT THE REAL, NOT THE NOMINAL, AGREEMENT OF GERMANY'S NEIGHBOURS AND ALSO THE UNITED STATES AND THE SOVIET UNION. THE TRANSITION TO FEDERATION WOULD BE CONDITIONAL ON DISCUSSION WITH OTHER COUNTRIES, BUT NOT THEIR EXPRESS APPROVAL SINCE SUCH A CONDITION WOULD NOT BE TOLERABLE POLITICALLY IN GERMANY. THE LEGAL INSTRUMENT ESTABLISHING GERMAN UNITY WOULD PERHAPS NOT BE A PEACE TREATY, SINCE THAT CONCEPT HARDLY FITTED PRESENT CIRCUMSTANCES, BUT IT WOULD COVER FRONTIERS AND THE CONTINUED STATIONING OF AMERICAN FORCES AND OTHER MATTERS. KOHL REMARKED THAT HIS RECENT MOVE ON THE ODER-NEISSE FRONTIER HAD GONE DOWN REASONABLY WELL IN THE FEDERAL REPUBLIC BUT THAT HE COULD NOT GO FURTHER ON FRONTIERS AT PRESENT. I ASKED HOW ONE COULD RECONCILE GERMAN UNITY WITH NATO. KOHL FROWNED AND PAUSED AND SAID THAT HE COULD NOT ANSWER THIS QUESTION NOW. BUT THIS DID NOT GIVE HIM HEADACHES, FOR THE QUESTION WOULD GET EASIER OVER TIME TO ANSWER. FOR EXAMPLE, ALL ARMED FORCES IN THE WARSAW PACT EXCEPT SOVIET FORCES HAD IN 1989 BECOME IRRELEVANT TO EAST/WEST SECURITY. KOHL SAID THAT THE SOVIET UNION HAD BEGUN TO SEE REALITY IN RELATION TO GERMANY, IE THAT UNITY WOULD COME. HE REMARKED IN PASSING THAT HE HAD HAD SEVERAL TELEPHONE CONVERSATIONS WITH GORBACHEV.

7. IN CONCLUSION KOHL ASKED ME TO REPORT THIS MESSAGE: HE WANTED TO WORK WITH THE UNITED STATES, THE UNITED KINGDOM AND FRANCE, IN CLOSE COMMUNICATION AND INFORMATION. IT HAD BEEN POLITICALLY IMPOSSIBLE FOR HIM TO CONSULT US IN ADVANCE ABOUT HIS TEN POINT DESIGN. BUT HE PROMISED ME THAT GERMANY WOULD FULFIL ITS DUTY OF CONSULTING THE WESTERN ALLIES CLOSELY ON THE PROPOSED TREATY ABOUT THE CONTRACTUAL COMMUNITY WITH THE GDR. HIS REQUEST TO US WAS THAT WE SHOULD NOT MISUNDERSTAND THE PSYCHOLOGY OF THE GERMANS: THEY WERE NOT OVER THE TOP NATIONALISTS, BUT WERE HAPPY, AS ANY NORMAL PEOPLE WOULD BE, AT THE PROSPECT OF UNITY. I SAID THAT FULL CONSULTATION WAS CRITICALLY IMPORTANT. FOR INSTANCE, ANY IDEA OF MENTIONING FEDERATION IN AN INNER GERMAN TREATY WOULD IMMEDIATELY BRING ALLIED RIGHTS INTO PLAY.

COMMENT

8. KOHL WAS CONFIDENT, ENERGETIC AND LOQUACIOUS. HE ANSWERED AT LENGTH MY QUESTIONS ABOUT HIS THINKING. HE DID NOT ASK ABOUT BRITISH

VIEWS, BUT I GAVE HIM OUR MAIN POINTS. HE MADE CLEAR THAT HIS REMARKS ABOUT POSSIBLE DEVELOPMENTS AFTER THE GDR ELECTIONS REPRESENTED THINKING STILL IN PROGRESS, NOT SETTLED VIEWS.

9. THIS CONVERSATION REINFORCES MY RECOMMENDATION THAT WE SHOULD PUT BRITISH VIEWS TO THE GERMANS SOON, WHILE THEIR IDEAS ARE STILL IN GESTATION. KOHL'S HESITATION ABOUT NATO AND HIS ILLUSTRATIVE MENTION OF 1 JAN 1995 FOR THE BIRTH OF A GERMAN FEDERATION (ON BOTH OF WHICH I MADE CLEAR MY SURPRISE) ALONE DEMONSTRATE THE NEED FOR US TO EXERT INFLUENCE.

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