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AND TO IMMEDIATE CABINET OFFICE

INFO IMMEDIATE BONN, UKDEL NATO, PARIS, MOSCOW

Sir Brock Wright's
 4th round of talks in
 Washington on Germany.
 CDP 31/1

FOLLOWING PERSONAL FOR POLITICAL DIRECTOR FROM PUS
 PERSONAL FOR AMBASSADORS, CABINET OFFICE FOR POWELL, NO 10.

BILATERAL DISCUSSION OF GERMAN ISSUES SUMMARY

1. AMERICANS WORRIED EVENTS MAY RUN AWAY WITH US, HENCE NEED FOR RAPID AND SECRET BILATERAL CLEARING OF MINDS AS TO POSSIBLE ACTION WITH THE GERMANS AND OTHERS. FOR US TO PUT SUGGESTIONS TO ZOELLICK THROUGH WOOD AS A FIRST STEP.

DETAIL

2. I HELD INITIAL TALKS IN WASHINGTON ON GERMANY, AS PREVIOUSLY AGREED, TOGETHER WITH WOOD, ON THE EVENING OF 29 JANUARY WITH ZOELLICK AND BLACKWILL. I SAID WE WELCOMED THE AMERICAN SUGGESTION FOR SUCH A DIALOGUE: THE EAST GERMAN SITUATION WAS FRAGILE, A DECLARATION IN FAVOUR OF UNITY AT THE ELECTIONS IN MARCH AND DECEMBER WAS A VIRTUAL CERTAINTY, AND WE HAD TO LOOK FOR WAYS, INVOLVING THE FRENCH AS WELL AS THE GERMANS, TO PUT SOME ORDER AND STABILITY INTO THE PROCESS. THE OBJECT WOULD NOT BE TO PUT ON THE BRAKES BUT TO STEADY MATTERS, A POINT IT WOULD BE ESSENTIAL TO GET ACROSS TO THE GERMANS. THERE HAD TO BE AN ORDERLY EVOLUTION IF A NUMBER OF ASPECTS RELATING TO THE COMMUNITY, NATO, CSCE, AND THE BERLIN 4 WERE PROPERLY TO BE ADDRESSED, A PROCESS WHICH WOULD BE DEMONSTRABLY IN THE INTERESTS OF THE GERMANS THEMSELVES.

3. ZOELLICK SAID HE HAD THREE POINTS. FIRST, THE 18 MARCH RESULTS IN THE GDR WOULD PLAY INTO THE FRG ELECTORAL PROCESS, AND ESPECIALLY ON KOHL. THE SPD HAD AN EDGE OVER THE CDU IN EAST GERMANY WHICH WOULD TRANSLATE IN ELECTORAL TERMS INTO PRESSURE ON KOHL TO SWEEP COMPLICATIONS ASIDE IN THE MARCH-DECEMBER PERIOD IN A GROWING MOMENTUM FOR UNITY. SECONDLY, SHEVARNADZE'S SEVEN POINTS DID NOT PRECLUDE UNIFICATION BUT SEEMED TO HIM TO REFLECT A DESIRE TO ACCOMMODATE THE SOVIET POSITION AS WELL AS POSSIBLE TO THE INEVITABLE. THIRDLY, KOHL AND GENSCHER DID NOT SEEM TO SEE THE UNIFICATION PROCESS AS CONFLICTING WITH THEIR OTHER ASPIRATIONS.

4. I SAID WE AGREED THAT THE UNIFICATION QUESTION WOULD BE TOP OF THE GERMAN POLITICAL AGENDA. THAT DID NOT HOWEVER MEAN THERE HAD TO BE A RUSH TO ACHIEVE IT BY THE END OF 1990. EC OBLIGATIONS WERE INCOMPATIBLE WITH THE COMMAND ECONOMY AND SUBSIDIES OF THE GDR, MAKING DUE PROCESS ESSENTIAL IF EAST GERMANY WERE TO ENTER THE COMMUNITY IN SOME FORM, THE QUESTION OF GERMANY AND NATO HAD TO BE ADDRESSED, AND SO ON. WE ALL HAD TO CLEAR OUR MINDS ABOUT THESE THINGS. BLACKWILL COMMENTED THAT KOHL'S OBVIOUS ANSWER TO THE PRESSURES FROM THE EAST GERMAN POPULATION AFTER 18 MARCH WOULD BE TO TELL THEM NOT TO EMIGRATE IMMEDIATELY BECAUSE A FEDERAL GERMANY WOULD BE PUT VERY RAPIDLY INTO PLACE. I POINTED OUT THAT THE GERMANS NEEDED TO BE PERSUADED OF THE NECESSITY TO MAKE ADJUSTMENTS IN THE INTERESTS OF THEIR PARTNERS AND ALLIES. IT WAS CLEAR FOR EXAMPLE THAT THEY HAD NOT THOUGHT THROUGH - OR WERE RELUCTANT TO CONTEMPLATE - WHAT THE EFFECT OF

UNIFICATION WOULD BE ON THEIR CONTINUATION IN NATO (TO WHICH WE ATTACHED HIGH PRIORITY). BLACKWILL AND ZOELLICK REPEATED THEIR VIEW THAT EVENTS WERE LIKELY TO PUSH THE WEST GERMANS TOWARDS VERY RAPID ACTION. THEY AGREED ON THE NEED TO ENGAGE THE GERMANS ON THE QUESTIONS I HAD RAISED, AND TOGETHER WE WOULD NEED TO ACT SOON.

5. I SAID I FULLY TOOK THE POINT ABOUT SPEED. IT WAS NOT HOWEVER JUST A QUESTION OF RAPID ACTION IN THE INTERESTS OF AVOIDING INNER-GERMAN INSTABILITY. THE GERMANS HAD TO BE BROUGHT TO RECOGNISE THAT IT WOULD ALSO BE DESTABILISING TO BRUSH ASIDE THE INTERNATIONAL COMPLICATIONS. WOOD POINTED OUT THAT OTHERS, TOO, NEEDED TIME TO DIGEST THE IMPLICATIONS OF A MOVEMENT TOWARDS UNIFICATION, AND ADJUST TO THEM. ZOELLICK AGREED IT WOULD BE IMPORTANT TO FIND WAYS TO REASSURE THE RUSSIANS.

6. WE THEN DISCUSSED HOW BEST TO CARRY THE US/UK DIALOGUE FORWARD. THE OBVIOUS PRINCIPALS ON OUR SIDE WERE THE POLITICAL DIRECTOR WHEN TALKS WERE HELD IN LONDON, TOGETHER WITH MOTTRAM WHEN MOD SUBJECTS CAME INTO PLAY, AND WITH WOOD OR SOMETIMES THE AMBASSADOR ACTING AS ANCHORMAN FOR US IN WASHINGTON. WE HAD HOWEVER TO FIT IN WITH THE QUAD AND THE SEPARATE DISCUSSIONS ON NATO STRATEGY AND CFE. ZOELLICK SAID HE WORKED CLOSELY WITH SEITZ AND KIMMITT, SO HE DID NOT THINK MATTERS WOULD IN PRACTICE PROVE COMPLICATED. BLACKWILL, ALONE, WOULD BE THE NSC LINK. IT WAS VITAL THERE SHOULD BE NO LEAKS. THE FACT OF A US/UK DIALOGUE ON GERMANY WOULD HAVE TO BE VERY CLOSELY HELD INDEED. THERE SHOULD BE NO LEAKAGE WHATSOEVER INTO THE QUAD MACHINERY, AND NO READ-ACROSS INTO TALKS ON THE CONSEQUENCES OF CURRENT CFE INITIATIVES.

7. I SAID WE OF COURSE AGREED ON THE NEED FOR VERY SECURE HANDLING OF THE DIALOGUE. WE HAD HOWEVER ALSO TO FIND WAYS TO TALK TO THE FRENCH AND THE GERMANS, PARTICULARLY SINCE THE LATTER NEEDED TO BE DISABUSED OF THE IDEA THAT THE BRITISH WERE THE MOST RECALCITRANT OPPONENTS OF UNIFICATION. WE WOULD BE EXPLOITING EARLY CONTACTS AT BOTH MINISTERIAL AND OFFICIAL LEVEL WITH BOTH BONN AND PARIS.

8. ZOELLICK SAID THE AMERICANS WERE GETTING MIXED SOVIET MESSAGES. HE BELIEVED THE RUSSIANS RECOGNISED UNIFICATION WAS GOING TO HAPPEN. SHEVARDNADZE'S 7 POINTS WERE FACTORS TO BE ADDRESSED IN THAT CONTEXT, NOT ROADBLOCKS. HE WAS LESS CERTAIN HOW THE USSR VIEWED THE LIKELY CONSEQUENCES FOR NATO, US TROOPS IN EUROPE AND SOON. I SAID THAT THE RUSSIANS PROBABLY SAW US TROOPS IN GERMANY AS A FACTOR FOR STABILITY. ZOELLICK ASSENTED BUT SAID THE TIMING COULD RUN US INTO PROBLEMS HERE TOO. GORBACHEV NEEDED TO EXPLAIN HIS POLICIES TO POTENTIAL DOMESTIC CRITICS IN THE FACE OF THE DEVELOPING NEW EUROPEAN ORDER. IF HE FOLLOWED A DOMESTIC RATIONALE HE MIGHT SAY UNIFICATION WAS ACCEPTABLE PROVIDED GERMANY WAS NO LONGER A MEMBER OF THE ATLANTIC ALLIANCE. WE SHOULD THEN HAVE TO DO A LOT OF CATCHING UP WITH GERMAN PUBLIC OPINION. THIS WAS ANOTHER REASON FOR RAPID ACTION. I SAID THAT A PRINCIPAL ANGLO-AMERICAN MOTIVE IN ALL THIS WAS TO KEEP GERMANY IN NATO. LIKE THE FRENCH, WE ALSO HAD THE FUTURE OF THE EC VERY MUCH IN MIND. BLACKWILL AND ZOELLICK AGREED WE HAD TO THINK HOW BEST TO HANDLE THESE ISSUES WITH OTHER ALLIANCE PARTNERS, INCLUDING E.G. THE ITALIANS AND THE DUTCH, AND SOME AT LEAST OF THE EAST EUROPEANS.

9. BLACKWILL RAISED THE QUESTION OF SOVIET OBJECTIVES IN THE BERLIN FOUR POWER CONTEXT. WE HAD SO FAR GOT AWAY WITH RESTRICTING DISCUSSIONS TO BERLIN ISSUES BUT IT WOULD NOT BE LONG BEFORE WE GOT A MESSAGE FROM GORBACHEV TO THE EFFECT THAT WE WERE REFUSING TO TALK ABOUT THE SERIOUS ISSUES HE WANTED TO ADDRESS. THE GERMANS DID NOT LIKE THIS FOUR POWER FORUM BUT HAD NO ANSWER TO THIS IMMINENT SOVIET PROBLEM. WE AGREED IT WOULD BE RIGHT TO SENSITISE THE GERMANS TO THIS ASPECT. THE NEED TO HANDLE THE RUSSIANS CORRECTLY WAS EVIDENT. ZOELLICK AND BLACKWILL SAID THEY HAD NO IDEA AS TO WHAT HAD ALREADY PASSED BETWEEN THE RUSSIANS AND THE GERMANS THOUGH, LIKE US, THEY KNEW THERE HAD BEEN CONSULTATIONS. I WONDERED WHETHER CSCE HAD A ROLE TO PLAY HERE. ZOELLICK SAID HE, PERSONALLY, HAD HAD THE FOUR PLUS TWO FORMULA AT THE BACK OF HIS MIND FOR SOME TIME, BUT THAT IT WAS NOT THE CURRENT US POSITION ALSO TO INVOLVE THE TWO GERMANIES IN BERLIN FOUR TALKS. WE ALL AGREED THERE WAS AN AMBIGUITY ABOUT FOUR POWER TALKS WHICH ALSO APPLIED TO POTENTIAL DISCUSSION IN THE QUAD: WHETHER THE OBJECTIVE WAS TO PUT THE BRAKES ON UNIFICATION OR TO BRING IT ABOUT IN THE MOST CONSTRUCTIVE WAY WE COULD MANAGE. BLACKWILL SAID HE VERY MUCH ENDORSED THE VIEW THAT DISCUSSIONS WOULD BE TRANSFORMED IF THE GERMANS CAME TO ACCEPT THAT THE LATTER, NOT THE FORMER, WAS OUR AIM. BUT EVEN IF WE COULD AGREE GUIDELINES KOHL WOULD HAVE AN INTEREST, ESPECIALLY IN AN ELECTORAL YEAR, IN BEING SEEN TO PURSUE AN INDEPENDENT LINE. HE THOUGHT THE ONLY WAY TO GET KOHL ON BOARD MIGHT BE TO MAKE ORDERLY UNIFICATION THE GOAL OF THE ALLIANCE. THE GREATEST AMERICAN WORRY WAS THAT KOHL WOULD NOT SEE THE NEED TO DRAW ON A WESTERN CONSENSUS, AND WOULD PUT GORBACHEV'S FATE ON THE LINE. IF WE PUT THESE POINTS TO KOHL WE MIGHT GET A VINTAGE KOHL ANSWER, REASSURING BUT INSUBSTANTIAL. IF THE WORST HAPPENED IN THE USSR THE US WAS WORRIED AS TO THE STEADINESS OF THE GERMAN REACTION.

10. WE AGREED THAT THE NEXT STEP WOULD BE SOON TO PUT MORE CONCRETE IDEAS ON POSSIBLE ACTION THROUGH WOOD TO ZOELLICK, WHICH COULD THEN BE DISCUSSED BY VISITORS TO WASHINGTON OR LONDON AS NECESSARY. ZOELLICK SAID HE DID NOT LIKE THE IDEA OF TEAMS OR FORMAL PAPERS FOR SECURITY REASONS. WE SHOULD LOOK AT IDEAS ON HOW BEST TO APPROACH THE FRENCH AND OTHERS, AS WELL AS THE GERMANS.

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