



10 DOWNING STREET

Rene Rivet

I don't think
you read all
this. It is an
important one
CAD

I think we should
have another Berlin
4 meetings
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*This is ~~short~~ it:
The Germans are going
full tilt for reunification,
without waiting for anyone.
CAB.*

FRG POLICY ON THE GERMAN QUESTION: GERMAN POLITICAL DIRECTOR GIVES READ OUT ON GENSCHER'S TALKS WITH BAKER.

SUMMARY

1. KASTRUP SAYS THAT THE SITUATION IN THE GDR IS NOW SO NEAR COLLAPSE THAT THE FEDERAL GOVERNMENT IS EMBARKING IMMEDIATELY ON ECONOMIC AND MONETARY UNION WITHOUT WAITING FOR GDR ELECTIONS. AFTER 18 MARCH, OUTLINE OF A UNIFICATION TREATY WILL BE DRAWN UP WITH THE GDR GOVERNMENT WITH AIM OF PRESENTING THIS TO THE CSCE SUMMIT. KASTRUP CLAIMS THAT BAKER IS ON BOARD FOR THIS. DESCRIBES GENSCHER'S OTHER IDEAS FOR THE CSCE SUMMIT. TAKES STRONG AND NEGATIVE LINE ON EXERCISE OF 4 POWER RIGHTS.

DETAIL

2. JOHN WESTON SPENT A DAY IN BONN FOLLOWING THE WEHRKUNDE CONFERENCE IN MUNICH. OVER LUNCH, HIS GERMAN OPPOSITE NUMBER, DIETER KASTRUP, GAVE A BRIEFING ON INSTRUCTIONS CONCERNING THE EVOLUTION OF THE FEDERAL GOVERNMENT'S POLICY ON THE GERMAN QUESTION, WHICH HAD FORMED THE MAJOR THEME OF GENSCHER'S TALKS WITH SECRETARY BAKER ON 2 FEBRUARY.

3. KASTRUP SAID THAT THE SITUATION IN THE GDR WAS EXCEPTIONALLY FRAGILE. ONLY THE CONSENSUS OF THE OPPOSITION PARTIES HELD THE COUNTRY TOGETHER. IN TALKS WITH THE MINISTER PRESIDENT OF BADEN-WURTEMBERG ON FRIDAY, MODROW HAD TOLD SPAETH THAT HE COULD NOT EXCLUDE COLLAPSE AND CHAOS WITHIN TWO WEEKS. THE SOVIET UNION WAS NOT IN A POSITION TO HELP. THE GDR WAS ENTIRELY DEPENDENT UPON THE FRG. HE ASKED FOR IMMEDIATE HELP.

4. KASTRUP SAID THAT THE FEDERAL GOVERNMENT HAD CONCLUDED THAT THE DEVELOPMENT OF A 'TREATY COMMUNITY' (VERTRAGSGEMEINSCHAFT) AFTER 18 MARCH WAS TOO SLOW. THE TERM HAD BEEN DROPPED FROM THE GOVERNMENT'S VOCABULARY. INSTEAD FEDERAL GOVERNMENT POLICY WAS NOW IN TWO PHASES: UP TO 18 MARCH AND THEREAFTER. IN CABINET ON WEDNESDAY THE GOVERNMENT WOULD CONFIRM THE EXISTENCE OF A NUMBER OF

CABINET COMMITTEES AND SUB-COMMITTEES TO DEAL WITH DIFFERENT ASPECTS OF THE UNIFICATION PROCESS. THESE HAD STARTED WORK TODAY (KASTRUP WILL CHAIR THE FIRST MEETING OF THE FOREIGN POLICY AND SECURITY COMMITTEE THIS AFTERNOON).

5. KASTRUP SAID THAT UP TO 18 MARCH, THE COMMITTEES WOULD BE CONCERNED WITH CONCEPTUAL THINKING AND IMMEDIATE HELP. THE LATTER INCLUDED DEVISING THE FIRST STEPS TOWARDS ECONOMIC AND MONETARY UNION WHICH WOULD NOT WAIT UNTIL AFTER AN ELECTION. THE FEDERAL GOVERNMENT WOULD PUT PRECISE PROPOSALS TO MODROW DURING HIS VISIT TO BONN ON 13 FEBRUARY. THE SECOND PHASE WOULD DEAL WITH, AS HE PUT IT, 'THE DEMAND OF THE ELECTED GOVERNMENT OF THE GDR TO PROCEED TOWARDS UNIFICATION' AND ITS MODALITIES. THERE WOULD BE NEGOTIATIONS SOON AFTER 18 MARCH BETWEEN THE TWO ON A TREATY ON GERMAN UNITY WITH THE AIM OF PRESENTING THE BASIC ELEMENTS AT THE CSCE SUMMIT. BY THEN HE EXPECTED THE TWO GOVERNMENTS WOULD BE ACTING IN AGREEMENT ON UNITY.

6. THE FEDERAL GOVERNMENT WOULD BE READY, THROUGHOUT THIS PROCESS, TO CONSULT IN A ORDERLY WAY WITH THE THREE ALLIES. THE FEDERAL GOVERNMENT WORKED ON THE ASSUMPTION THAT FORMAL CONSULTATION WITH THE FOURTH POWER (IE SOVIET UNION) WOULD BE DONE BY THE STILL EXISTING GOVERNMENT OF THE GDR. THE FEDERAL GOVERNMENT WOULD RESERVE THE RIGHT TO TALK TO THE RUSSIANS BILATERALLY AS NO DOUBT WOULD THE WESTERN ALLIES. THE FEDERAL GOVERNMENT DID NOT FEEL THAT THE BONN GROUP WAS AN ADEQUATE MECHANISM FOR WESTERN CONSULTATION IN CURRENT CONDITIONS AND THAT IT SHOULD BE AT POLITICAL DIRECTOR LEVEL.

7. KASTRUP CONTINUED THAT THE FEDERAL GOVERNMENT WAS 'ADAMANT' THAT FOUR-POWER DISCUSSIONS ON GERMANY WOULD NOT BE ACCEPTABLE. THE FOUR POWERS COULD NOT BE SEEN TO ACT OVER THE HEADS OF THE GERMAN PEOPLE TO DECIDE THEIR FATE. GENSCHER WOULD SAY THIS TO THE SECRETARY OF STATE TOMORROW. THE FEDERAL GOVERNMENT DID NOT THINK THAT IT WOULD BE APPROPRIATE TO HAVE A FORMAL PEACE TREATY CONFIRMING GERMAN UNITY. 'OTHER WAYS AND MEANS' WOULD HAVE TO BE FOUND, QUITE POSSIBLY THE CSCE PROCESS.

8. ON SECURITY ASPECTS, KASTRUP SAID THAT BAKER HAD AGREED WITH GENSCHER'S CONCEPTUAL APPROACH AS OUTLINED IN THE LATTER'S RECENT SPEECH AT TUTZING (MY TELNO 126) VIZ A SPECIAL STATUS FOR THE GDR WITH NO EXTENSION OF THE NATO AREA BEYOND THE EXISTING LIMITS. BAKER HAD EXPLICITLY AGREED TO THE HOLDING OF A CSCE SUMMIT SUBJECT TO HIS FAMILIAR THREE CONDITIONS WITH WHICH THE FEDERAL GOVERNMENT WERE HAPPY. ON THE THIRD (THIS YEAR'S SUMMIT SHOULD BE REGARDED AS PREPARATION FOR 1992) GENSCHER HAD SAID THAT HE DID NOT ACCEPT THE

TERMINOLOGY OF PREPARATION, BUT AGREED WITH THE IDEA OF AGREEING MANDATES FOR THE 1992 SUMMIT. THESE IN HIS VIEW SHOULD COVER SECURITY STRUCTURES IN EUROPE AND THE DEVELOPMENT OF MITTERRAND'S IDEA OF A EUROPEAN CONFEDERATION. GENSCHER HAD TOLD BAKER THAT THE FEDERAL GOVERNMENT'S CONTRIBUTION COULD BE A STATEMENT ON GERMANY'S EASTERN BORDER. THIS COULD TAKE THE FORM OF ANY (OR ALL) OF THE FOLLOWING: STATEMENT BY THE TWO GOVERNMENTS IN THE FRAMEWORK OF A TREATY ON UNITY, STATEMENT BY BOTH PARLIAMENTS, OR A STATEMENT ALONGSIDE OR WITHIN THE FRAMEWORK OF THE CSCE SUMMIT.

9. IN SUBSEQUENT DISCUSSION, KASTRUP MADE THE FOLLOWING ADDITIONAL POINTS. HE CONFIRMED THAT THE DRAFT TREATY (PARA 5 ABOVE) WOULD SET OUT THE STRUCTURES OF THE TRANSITIONAL PHASE TO UNITY WHICH IT WOULD FORESHADOW AND TO WHICH IT WOULD COMMIT THE TWO STATES. IT WOULD REQUIRE RATIFICATION. ACTUAL UNIFICATION COULD COME ABOUT EITHER BY ACCESSION OF THE EASTERN LAENDER OR BY A CONSTITUTIONAL CONFERENCE (ARTICLES 23 OR 146 OF THE FEDERAL CONSTITUTION). IT WAS TOO EARLY TO DECIDE.

10. IN ANSWER TO JOHN WESTON'S SUGGESTION THAT THE FOUR POWERS MIGHT PLAY THEIR ROLE VIA INVITATION FROM THE TWO GERMANY'S TO CONSULT (IE IN EFFECT THE FOUR PLUS TWO), KASTRUP SAID THAT THE FEDERAL GOVERNMENT WOULD BE 'VERY RELUCTANT' TO CONTEMPLATE A FORMAL ROLE FOR THE FOUR POWERS IN THE PROCESS OF UNIFICATION, EVEN IN SUCH A MANNER, BUT WOULD NOT RULE IT OUT COMPLETELY. IN A SECOND RUN LATER OVER THIS GROUND, KASTRUP SEEMED MOLLIFIED AT THE THOUGHT OF THE GERMAN STATES TAKING THE INITIATIVE AND DID NOT ARGUE WITH THE PROPOSITION THAT FOUR-POWER ENDORSEMENT COULD HAVE ITS USES TO GERMANY. BUT HE REMAINED VERY RESERVED ON THIS.

11. REFUSING TO ELABORATE, KASTRUP VOLUNTEERED TOWARDS THE END OF DISCUSSION THAT THERE WOULD BE 'ANOTHER IMPORTANT EVENT' BETWEEN NOW AND THE OPEN SKIES MEETING IN OTTAWA. (COMMENT: THIS COULD BE A FURTHER MAJOR STATEMENT BY KOHL (MY TELNO 134)).

COMMENT

12. THE FEDERAL GOVERNMENT NOW REGARD PREVENTING THE COLLAPSE OF THE GDR, WHICH THEY THINK VIRTUALLY IMMINENT, THE TOP PRIORITY. FAR REACHING DISCUSSIONS, ESPECIALLY ON THE ECONOMIC FRONT, CANNOT WAIT FOR THE GDR ELECTIONS. IT IS FEDERAL GOVERNMENT POLICY TO PROCEED IMMEDIATELY TO THE INTEGRATION OF THE TWO ECONOMIES VIA ECONOMIC AND MONETARY UNION, EVEN WITHOUT A TREATY BASIS. A CONVERSATION WITH HARTMANN (CHANCELLERY) EARLIER IN THE DAY SUGGESTED THAT WHILE THE IDEA OF A TREATY COMMUNITY HAD NOW BEEN DROPPED, 'CONFEDERATIVE

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STRUCTURES'' SUCH AS JOINT GOVERNMENT AND PARLIAMENTARY BODIES WOULD STILL PLAY A ROLE IN THE PROCESS TO UNITY.

13. GENSCHER IS ALSO PROCEEDING FULL BLAST ON THE EXTERNAL FRONT, EVIDENTLY AIMING TO GET THE OUTLINE OF A UNIFICATION TREATY INTO THE INTERNATIONAL ARENA BEFORE THE END OF THE YEAR. KASTRUP GAVE THE IMPRESSION THAT THE AMERICANS WERE ON BOARD FOR THIS AS WELL AS FOR THE CSCE SUMMIT AND PRESENTATION OF GERMAN PLANS AT IT. IT IS NOT CLEAR FROM KASTRUP'S DESCRIPTION WHETHER THE PROPOSED TREATY WOULD DEAL AT ALL WITH SECURITY RELATED ASPECTS WHICH HE DID NOT MENTION. THIS OBVIOUSLY NEEDS PROBING: EXTREME GERMAN SENSITIVITY TO FOUR POWER TALKS ON GERMAN AFFAIRS CAME THROUGH CLEARLY IN THIS CONVERSATION AND AT THE PRECEDING ONE WITH HARTMANN. THE FEDERAL GOVERNMENT ACCEPT THE EXERCISE OF FOUR POWER RIGHTS IN CONNECTION WITH THE FINAL PEACE SETTLEMENT. THEY ARE WILLING TO CONSULT THE 3 WESTERN ALLIES OVER MATTERS GOVERNED BY THE RELATIONS CONVENTION BUT DO NOT ACCEPT THAT 4 POWER RIGHTS IN RELATION TO GERMANY AS A WHOLE SHOULD BE EXERCISED IN CONNECTION WITH THE PROCESS OF SELF-DETERMINATION WHICH IS FOR GERMANS ALONE. THE FEDERAL GOVERNMENT SHOULD BE LEFT UNDER NO ILLUSION THAT, WHERE NECESSARY, THE FOUR POWERS WILL EXERCISE THEIR RIGHTS AND RESPONSIBILITIES IN THE PROCESS TOWARDS UNIFICATION. EQUALLY WE SHOULD MAKE IT CLEAR THAT WE ARE AWARE OF GERMAN SENSITIVITIES, WOULD CONSULT AND WOULD BE CAREFUL OVER PUBLIC PRESENTATION.

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