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FM BONN

TO DESKBY 132030Z FC0

TELNO 185

OF 131919Z FEBRUARY 90

INFO IMMEDIATE EAST BERLIN, BMG BERLIN, OTTAWA

INFO PRIORITY WASHINGTON, PARIS, UKREP BRUSSELS, MOSCOW, WARSAW

OTTAWA FOR SECRETARY OF STATE'S PARTY

MODROW'S VISIT TO BONN: FIRST DAY

SUMMARY

1. JOINT PRESS CONFERENCE BY KOHL AND MODROW ON FIRST DAY OF VISIT REVEALS THAT NO (NO) PROGRESS APPEARS TO HAVE BEEN MADE TOWARDS ECONOMIC AND MONETARY UNION BETWEEN THE TWO GERMANIES.

DETAIL

2. KOHL AND MODROW GAVE A JOINT PRESS CONFERENCE AT 1500 HOURS ON 13 FEBRUARY, ACCOMPANIED BY THEIR RESPECTIVE MINISTERIAL TEAMS. IN HIS OPENING STATEMENT, KOHL STRESSED ONCE MORE THE NEED IN MOVING TOWARDS GERMAN UNIFICATION FOR ACCOUNT TO BE TAKEN OF THE INTERESTS OF THE FRG'S FRIENDS AND NEIGHBOURS. HE REPEATED HIS OFFER OF ECONOMIC AND MONETARY UNION WITH THE GDR AS THE ONLY WAY OF OFFERING THE PEOPLE IN THE GDR ANY HOPE OF EARLY CHANGE. HE SAID THAT EMIGRATION FROM THE GDR SINCE 1 JANUARY HAD NOW REACHED SOME 85,000 AND THAT THIS, COMBINED WITH THE KNOWN ECONOMIC SITUATION IN THE GDR, MEANT THAT LONGER TERM PHASED PLANS WERE NO LONGER POSSIBLE. HE SOUGHT TO COUNTER RECENT CRITICISM OF THE APPARENT RASHNESS OF HIS OFFER OF EARLY ECONOMIC AND MONETARY UNION BY ARGUING THAT THE SITUATION HAD REACHED SUCH A POINT THAT ONLY BOLD, RADICAL MEASURES STOOD ANY CHANCE OF BEING EFFECTIVE.

3. KOHL'S INTRODUCTORY REMARKS AND HIS ANSWERS TO QUESTIONS WERE NOTICEABLY SHORT ON THE DETAILS OF HOW SUCH AN ECONOMIC AND MONETARY UNION WAS TO BE ACHIEVED. HE SAID ONLY THAT THE ECONOMIC COMMISSION CHARGED WITH TAKING IT FORWARD WOULD BEGIN ITS WORK WITHOUT DELAY AND THAT ONE OF THE FIRST REQUIREMENTS WOULD BE COMPREHENSIVE INFORMATION ABOUT THE REAL ECONOMIC STATE OF THE GDR. HE AGAIN EMPHASISED THAT MONETARY UNION COULD NOT BE SEPARATED FROM RADICAL, SIMULTANEOUS ECONOMIC REFORM IN THE GDR TO CREATE THE CONDITIONS FOR PRIVATE SECTOR INVESTMENT. HE ALSO LAID STRESS ON THE NEED TO ENSURE THE STABILITY OF THE DM AND TO PREVENT INFLATION IN THE FRG, COMMENTING THAT, THANKS TO THE CURRENT STRENGTH OF THE FRG ECONOMY,

THE FRG WAS WELL-PLACED TO HELP THE GDR QUOTE AS A MEASURE OF NATIONAL SOLIDARITY UNQUOTE.

4. MODROW'S OPENING ADDRESS WAS SIMILARLY BROAD-BRUSH IN APPROACH. HIS ATTEMPT TO SUGGEST THAT THE GDR'S ECONOMIC SITUATION WAS NOT AS BAD AS HAD WIDELY BEEN REPORTED WAS UNCONVINCING. HE SAID THAT THE PEOPLE OF THE GDR WOULD HAVE MUCH TO CONTRIBUTE TO THE NEW GERMAN STATE BUT (ILLOGICALLY) LATER EMPHASISED THAT THE GDR SAW ITSELF AS A PRESENT AND FUTURE PARTNER FOR THE SOVIET UNION. HE REJECTED THE IDEA OF QUOTE JOINING THE GDR ONTO THE FRG UNQUOTE (PRESUMABLY A REFERENCE TO UNIFICATION VIA ARTICLE 23 OF THE BASIC LAW)

5. IN ANSWERING QUESTIONS:

(A) MODROW MADE LITTLE EFFORT TO CONCEAL HIS DISAPPOINTMENT THAT THE FEDERAL GOVERNMENT HAD MADE NO ATTEMPT TO OFFER GREATER IMMEDIATE ASSISTANCE OR TO PROVIDE DETAILED PLANS FOR ECONOMIC AND MONETARY UNION (CHANCELLOR KOHL INTERJECTED AT THIS POINT THAT IT WAS COMPLETELY UNREALISTIC TO EXPECT A BLUE-PRINT TO HAVE BEEN DRAWN UP BY NOW, NOT LEAST BECAUSE THE GDR HAD NOT MADE AVAILABLE ESSENTIAL DATA).

(B) MODROW SAID THAT IN THEIR TALKS KOHL HAD GIVEN THE IMPRESSION THAT HE ACCEPTED POLAND'S PRESENT WESTERN BORDER AS FINAL. KOHL HOWEVER SAID THAT HIS QUESTION COULD ONLY BE SETTLED BY THE PARLIAMENT AND GOVERNMENT OF A UNIFIED GERMANY.

(C) KOHL REITERATED HIS POSITION THAT GERMAN NEUTRALITY WAS QUOTE OUT OF THE QUESTION UNQUOTE. AN IMPORTANT POINT WOULD BE THE WAY IN WHICH THE TWO MILITARY PACTS DEVELOPED. THIS WAS A QUESTION FOR THE FUTURE.

COMMENT

6. IT SEEMED INCREASINGLY LIKELY IN THE RUN UP TO THIS MEETING THAT NO (NO) REAL PROGRESS WOULD BE REGISTERED. THIS APPEARS TO HAVE BEEN THE CASE. THE BRIEFING WHICH FEDERAL CHANCELLERY MINISTER SEITERS WILL BE GIVING ME AND MY FRENCH AND AMERICAN COLLEAGUES AT 1500 LOCAL ON 14 FEBRUARY WILL PROVIDE A CHANCE TO PROBE FURTHER.

7. FCO PLEASE ADVANCE TO NO.10.

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