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FROM PRIVATE SECRETARY

SECRETARY OF STATE'S MEETING WITH GENSCHER: 15 MAY

SUMMARY

1. TWO HOUR MEETING. AGREEMENT ON APPROACH TO 2 PLUS 4 TALKS. GENSCHER WANTS BRITISH, FRENCH AND AMERICAN TROOPS TO REMAIN IN BERLIN WHILE RUSSIANS ARE IN FORMER GDR. GENSCHER DOES NOT WANT TASM ISSUE RAISED BUT PREPARED TO STICK TO NPG FORMULA ON APPROPRIATE MIX OF CONVENTIONAL AND NUCLEAR FORCES. DESCRIBES OUTSTANDING PROBLEMS WITH POLES ON FAMILIAR LINES. AGREED ANALYSIS ON LITHUANIA AND ROMANIA, WITH GENSCHER PESSIMISTIC ABOUT ROMANIA'S LONG-TERM FUTURE. GENSCHER SPEAKS WARMLY OF BILATERAL RELATIONSHIP. NEXT MEETING TO BE IN LONDON. DETAIL ON GERMAN/ALLIANCE ISSUES BELOW. OTHER ISSUES IN MIFT.

DETAIL

2. THE SECRETARY OF STATE AND GENSCHER HAD NEARLY TWO HOURS OF TALKS, INCLUDING 20 MINUTES ALONE, IN BONN TODAY. GENSCHER SPOKE IN ENGLISH THROUGHOUT. HE SAID HOW MUCH HE VALUED HIS MEETINGS WITH THE SECRETARY OF STATE AND THE RELATIONSHIP THEY HAD ESTABLISHED. HE HOPES TO COME TO LONDON BEFORE THE SUMMER BREAK.

TWO PLUS FOUR

3. GENSCHER ENDORSED THE IDEA OF HIS POLITICAL DIRECTOR THAT WE SHOULD NEXT ADDRESS ITEM NUMBER 4 ON THE AGENDA, IE THE SHAPE OF THE FINAL SETTLEMENT: REPLACEMENT OF FOUR-POWER RIGHTS AND RESPONSIBILITIES AND WHAT THAT ENTAILED. BEFORE THE FINAL SETTLEMENT, IT WOULD BE NECESSARY TO REACH AGREEMENT ON SOVIET TROOPS IN EAST GERMANY: HOW MANY, WHERE, HOW LONG, WHO PAID. GERMAN MEMBERSHIP OF NATO WAS NOT FOR DISCUSSION WITH SHEVARDNADZE. UNDER THE HELSINKI AGREEMENT EVERY STATE HAD THE RIGHT TO DECIDE WHAT ALLIANCES TO BELONG TO. HE WAS PREPARED TO DISCUSS WITH SHEVARDNADZE HOW TO SAFEGUARD SOVIET SECURITY INTERESTS BUT ANY CONSEQUENCES OF THAT, EG TROOP LIMITATIONS, AND THE CONTINUING PRESENCE OF ALLIED TROOPS ON GERMAN SOIL WERE MATTERS FOR VIENNA.

ALLIED TROOPS WOULD BE PRESENT IN GERMANY AS MEMBERS OF THE ALLIANCE SO THEIR SITUATION WAS QUITE DIFFERENT FROM THAT OF SOVIET TROOPS WHO WOULD REMAIN IN EAST GERMANY UNDER TRANSITIONAL ARRANGEMENTS ONLY.

[who pays?] 4. IN REPLY TO A QUESTION FROM THE SECRETARY OF STATE, GENSCHER SAID THAT, ALTHOUGH IT HAD NOT BEEN AGREED AS A GOVERNMENT POSITION, HE FAVOURED THE CONTINUING PRESENCE OF BRITISH, FRENCH AND AMERICAN TROOPS IN BERLIN SO LONG AS THERE WERE SOVIET SOLDIERS ON GERMAN SOIL. THEY WOULD BE THERE IN SMALL NUMBERS. THIS WAS OF SYMBOLIC IMPORTANCE FOR ALL GERMANS SO AS NOT TO GIVE THE RUSSIANS SPECIAL STATUS. BOTH THE RUSSIANS AND THE ALLIES WOULD BE PRESENT IN THE FORMER GDR AND BERLIN RESPECTIVELY UNDER NEW STATUS OF FORCES AGREEMENTS.

5. GENSCHER AGREED WITH THE SECRETARY OF STATE THAT, FOLLOWING BAKER'S MEETING WITH SHEVARDNADZE, THERE SHOULD BE FURTHER DISCUSSION WITHIN NATO OF THE IMPLICATIONS OF GERMAN UNIFICATION, IN PARTICULAR THE APPLICATION OF ARTICLES 5 AND 6. GENSCHER SAID ALL NATO MEMBERS WOULD BE AFFECTED, AND HE WANTED TO REACH AGREEMENT, THEREFORE, WITH ALL OF THEM.

CFE

6. THE SECRETARY OF STATE DESCRIBED MR KING'S DISCUSSIONS IN MOSCOW ON THE BASIS OF MOSCOW TELNO 871. THE SECRETARY OF STATE AND GENSCHER AGREED THAT, FOLLOWING THE BUSH/GORBACHEV SUMMIT, WE SHOULD TAKE STOCK OF PROGRESS IN CFE AND OF WHAT WAS REALISTICALLY ATTAINABLE, THOUGH WE SHOULD NOT MAKE THINGS TOO EASY FOR THE RUSSIANS. NEITHER THE SECRETARY OF STATE NOR GENSCHER SAW ANY OBJECTION TO BEGINNING NOW TO PREPARE FOR THE NEXT PHASE OF DISCUSSION AFTER CFEI. THEY ALSO AGREED THAT THE CFE AGREEMENT SHOULD BE IN PLACE BEFORE THE CSCE SUMMIT. GENSCHER SAID THE FRG WANTED UNIFICATION TIED UP BEFORE THE CSCE SUMMIT AS WELL. DEEPENING AND STRENGTHENING CSCE (AS A COMPLEMENT TO, NOT A SUBSTITUTE FOR, NATO) WAS IMPORTANT TO THE RUSSIANS WHO OTHERWISE SAW THEMSELVES BEING EXCLUDED FROM EUROPE AS THEY LOST THEIR FOOTHOLD IN THEIR FORMER SATELLITES. ALTHOUGH GENSCHER ESTIMATED THAT GORBACHEV'S POSITION WAS DIFFICULT, HE COULD, IF HE PLAYED HIS CARDS RIGHT, EXTRACT QUITE A LOT FROM THE PRESENT NEGOTIATIONS:

(1) GERMANY WAS PREPARED TO HONOUR THE GDR/USSR COMMERCIAL TREATIES ON A CASE BY CASE BASIS. THAT WOULD BE FINANCIALLY BENEFICIAL TO THE SOVIET UNION SINCE THEY WOULD BE PAID IN DEUTSCHMARKS. GERMANY WAS PREPARED NOW TO TALK ABOUT FUTURE ECONOMIC COOPERATION BETWEEN

THE SOVIET UNION AND A UNITED GERMANY.

(2) THE WEST WAS READY TO REACH AN AGREEMENT IN VIENNA AND DISCUSS THE PROSPECTS FOR THE NEXT ROUND.

(3) WE WERE READY TO DEEPEN AND STRENGTHEN THE CSCE.

(4) WE WERE PREPARED TO AGREE A CONTINUING - IF LIMITED, AND TIME-LIMITED, PRESENCE OF SOVIET SOLDIERS ON GERMAN SOIL. THE SOVIET UNION HAD GAINED NOTHING FROM THE LOSS OF CZECHOSLOVAKIA AND HUNGARY. THEIR NEGOTIATING LEVERAGE WOULD GET WEAKER RATHER THAN STRONGER AS TIME WENT BY AND THERE WAS ADVANTAGE FOR THEM IN REACHING AGREEMENT IN 1990. GENSCHER SAID HE HAD DELIBERATELY SET A BIT OF A TEST BY PROPOSING A RAPID TIMESCALE OF 2 PLUS 4 MEETINGS, INCLUDING A MEETING IN MOSCOW IN JULY. SHEVARDNADZE HAD STRAIGHTAWAY PROPOSED SEPTEMBER INSTEAD, IE AFTER THE PARTY CONGRESS.

7. GENSCHER SAID THAT HE WAS WILLING TO TALK TO THE RUSSIANS NOW ABOUT CONFIDENCE-BUILDING MEASURES. HE DID NOT LIKE THE RUSSIAN IDEA OF A CENTRE FOR CONFLICT STUDIES BECAUSE THE RUSSIANS ENVISAGED IT AS FOCUSSED EXCLUSIVELY ON GERMANY. THE RUSSIANS COULD HAVE AS MANY INSTITUTES AS THEY WANTED, PARTICULARLY IF THAT MADE IT EASIER FOR THEM TO SWALLOW GERMAN MEMBERSHIP OF NATO, BUT GERMANY SHOULD NOT BE SINGLED OUT.

POLAND

8. GENSCHER SAID THE MAIN PROBLEM WAS A DIVERGENCE OF VIEWS WITHIN THE GDR GOVERNMENT. THE FOREIGN MINISTER FAVOURED THE NEGOTIATION AND INITIALLING OF A TREATY BEFORE UNIFICATION. DE MAIZIERE FAVOURED THE FRG IDEA OF TWO RESOLUTIONS FROM THE TWO PARLIAMENTS, PRESENTED BY THE TWO GOVERNMENTS AND BASED ON THE GOERLITZ AND WARSAW TREATIES. GENSCHER COULD HAVE LIVED WITH THE SOLUTION FAVOURED BY THE POLES BUT HE HAD HAD TO GO ALONG WITH THE CHANCELLOR WHO FOUND THAT DIFFICULT. HE WAS TRYING TO CONVINCE THE POLES THAT RESOLUTIONS REPRESENTED THE RIGHT WAY FORWARD, AND HE HOPED THAT DE MAIZIERE WOULD SO CONVINCE THE SOCIAL DEMOCRATS AND MECKEL WITHIN THE GDR. THE POLISH DRAFT CONTAINED ONE PARTICULAR DIFFICULTY: ARTICLE 116, UNDER WHICH THE POLES WISHED TO COVER THE RENUNCIATION OF GERMAN CITIZENSHIP BY GERMANS LIVING IN POLAND. CITIZENSHIP WAS AN ISSUE FOR DECISION BY EACH COUNTRY AND COULD NOT BE INCLUDED IN A TREATY. HE HAD WARNED THE POLES THAT IF THEY RAISED THAT ISSUE, SOME IN GERMANY WOULD RAISE THE RIGHTS OF MINORITIES AND WOULD NOT BE CONTENT FOR THAT TO BE DEALT WITH, AS GENSCHER HIMSELF HOPED, UNDER THE CSCE. THE BEST WAY FORWARD WAS TO

LIMIT THE TREATY TO WHAT WAS IN THE EXISTING TWO TREATIES. IN REPLY TO A QUESTION FROM THE SECRETARY OF STATE, GENSCHER SAID THAT THE POLES HAD MADE TOO MUCH OF KOHL'S LETTER ASKING THEM TO TAKE A LEAF OUT OF HAVEL'S BOOK.

9. THE SECRETARY OF STATE ASKED WHEN THE FRG WOULD BE PREPARED TO BEGIN TO NEGOTIATE A TEXT (A MATTER OF GREAT IMPORTANCE TO THE POLES) AND WHAT THE CONTENT WOULD BE. GENSCHER REITERATED THAT THE CONTENT SHOULD BE THAT OF THE TWO EXISTING TREATIES. IT WAS IMPORTANT NOT TO OPEN UP THE WHOLE BORDER QUESTION AGAIN. THE RUSSIANS HAD CHANGED THE POTSDAM AGREEMENT TO THE DISADVANTAGE OF GERMANY. PARTS OF EAST PRUSSIA NOW BELONGED TO LITHUANIA. THESE WERE COMPLEX MATTERS BEST LEFT ALONE. THERE WOULD BE A MEETING OF THE POLITICAL DIRECTORS OF POLAND, THE FRG AND GDR ON 18 MAY. GENSCHER AND MECKEL WERE PREPARED TO GO TO WARSAW FOR A WELL- PREPARED MINISTERIAL MEETING BEFORE JULY. RIGHT NOW HE WAS PREOCCUPIED BY GEMU. THEREAFTER HE WOULD TAKE UP THE POLISH TREATY, LEADING UP TO A BUNDESTAG RESOLUTION BY JUNE.

GEMU

10. GENSCHER SAID NEGOTIATING A TREATY WAS PROVING DIFFICULT, NOT LEAST BECAUSE THERE WERE NO RELIABLE FIGURES FOR THE GDR DEFICIT. FIGURES OF BETWEEN DM30 AND 50 BILLION WERE BEING PLUCKED OUT OF THE AIR. IT WAS ONE THING TO WRITE A CHEQUE FOR SIX MONTHS BUT QUITE ANOTHER TO GO ON DOING IT ENDLESSLY. BETWEEN JULY AND THE END OF THE YEAR A LOT WOULD CHANGE, BUT MAYBE NOT ENOUGH. WESTERN INVESTORS WERE PREPARED TO ENTER INTO PRELIMINARY AGREEMENTS BUT NOT TO GO THE WHOLE WAY. THEY NEEDED THE CERTAINTY THAT ONLY A PROPER BUDGET COULD PROVIDE.

GDR INTERNAL

11. GENSCHER SAID THE OLD COMMUNISTS (NOW CALLED THE PDS) WERE COMING OUT OF THE WOODWORK. GYSI WAS A VERY CLEVER DEMOGOGUE. GYSI BEHAVED LIKE A MAN WHO HAD NOT BEEN AROUND AT ALL BEFORE LAST OCTOBER, AND FELT FREE TO CRITICISE EVERYTHING THAT WAS NOW HAPPENING. WHEN THE REVOLUTION HAD COME, HONECKER AND OTHER MEMBERS OF THE POLITBURO HAD BEEN ACCUSED OF CORRUPTION. THIS WAS A PARTICULARLY DELIBERATE TACTIC ON MODROW'S PART BECAUSE IT SHOWED HIM UP AS A MAN OF MODEST MEANS. BUT THE REAL ISSUE, AS GENSCHER HAD SAID AT THE TIME, WAS NOT WHETHER THE POLITBURO OWNED FOUR CARS A PIECE, BUT THE FACT THAT THEY HAD BEEN DICTATORS, HAD HELD POLITICAL PRISONERS AND HAD ORDERED GERMANS TO BE SHOT.

12. GENSCHER THOUGHT THAT THE NEW SITUATION, WHERE THE SPD WOULD

HAVE A MAJORITY IN OPPOSITION IN THE BUNDESRAT BUT WERE PART OF THE GOVERNMENT IN THE GDR, WOULD BE PROBLEMATIC FOR THEM. THEY WOULD NOT KNOW HOW TO REACT. THE BUNDESRAT WOULD, OF COURSE, HAVE TO AGREE TO GEMU BUT THE KEY DECISIONS WOULD ALL BE TAKEN BEFORE THE SPD'S MAJORITY IN THE BUNDESRAT TOOK EFFECT.

NATO ISSUES

13. GENSCHER SAID THAT THE ALLIANCE SHOULD START TO THINK THROUGH THE IMPLICATIONS FOR ITS STRATEGY OF WHAT WAS HAPPENING IN EUROPE. IF THERE WERE FEWER TROOPS, THEY WOULD NEED TO BE MORE MOBILE. THAT IMPLIED MORE HELICOPTERS. HE WAS ALSO WILLING TO LOOK AT MORE MULTINATIONAL COOPERATION. HE FAVOURED MULTINATIONAL UNITS THOUGH HE DID NOT LIKE THE RATIONALE THAT HAD BEEN ADVANCED AT THE RECENT WEU MEETING I.E. THAT THEY WERE A GOOD WAY OF CONTROLLING THE GERMANS. THE WHOLE POINT OF MULTINATIONAL UNITS WAS TO REINFORCE THE IMAGE OF ONE WORLD. REALISTICALLY, PURELY NATIONAL FORCES WOULD HAVE TO CONTINUE UP TO BRIGADE LEVEL WITH DIVISIONS TO BE ORGANISED ON A MULTINATIONAL BASIS. THE SECRETARY OF STATE ASKED WHETHER THE FRENCH MIGHT BE BROUGHT INTO A MULTINATIONAL STRUCTURE. GENSCHER SAID THAT HE THOUGHT THIS COULD BE DONE ON A FRANCO-GERMAN BASIS WHICH WOULD ACHIEVE MORE OR LESS THE SAME RESULT. HE WONDERED WHETHER MULTINATIONAL FORCES COULD BE DEPLOYED OTHER THAN ON GERMAN SOIL. IF THEY WERE DEPLOYED ONLY ON GERMAN SOIL HE COULD LIVE WITH THAT.

NUCLEAR

14. GENSCHER WAS CROSS WITH WOERNER (WHICH IS NOT UNUSUAL) FOR SAYING AT HIS RECENT PRESS CONFERENCE THAT THE GERMANS WOULD AGREE TO THE STATIONING OF TASM ON THEIR SOIL. IT WAS A MISTAKE TO RAISE THESE ISSUES NOW. WITH THE WARSAW PACT DISINTEGRATING, GERMANS, INCLUDING THE PRESS, WERE VERY CRITICAL OF THE THOUGHT THAT THE WEST'S ONLY RESPONSE WAS TO INTRODUCE NEW NUCLEAR WEAPONS. NOBODY COULD TELL NOW WHAT THE REQUIREMENTS OF THE MID-90S WOULD BE. HE WAS PREPARED TO STAND BY (INCLUDING IN PUBLIC) THE AGREED NATO POSITION ON THE NEED FOR AN APPROPRIATE MIX OF CONVENTIONAL AND NUCLEAR FORCES, BUT WE SHOULD NOT GO BEYOND THAT.

15. THE SECRETARY OF STATE SAID THAT IT WAS A DISTORTION BY THE GERMAN PRESS TO CLAIM THAT NATO WAS ONLY INTERESTED IN DEPLOYING NEW WEAPONS. THAT IGNORED ALL THE INITIATIVES WE HAD TAKEN INCLUDING STOPPING THE DEVELOPMENT OF FOTL. WE HAD TO KEEP OPEN THE POSSIBILITIES FOR THE FUTURE. GENSCHER SAID HE DID NOT REJECT FUTURE OPTIONS BUT DID NOT WANT TO DEFINE THEM. THE MORE THE PROBLEM WAS RAISED IN PUBLIC, THE MORE DIFFICULT IT WAS TO HANDLE.

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FOLLOWING FROM PRIVATE SECRETARY
SECRETARY OF STATE'S MEETING WITH GENSCHER (15 MAY); PRIVATE
DISCUSSION

1. IN PRIVATE DISCUSSION GENSCHER MADE LIGHT OF HIS REPORTED HEALTH PROBLEMS. HE HAD HAD TO CUT BACK HIS ELECTION COMMITMENTS BUT IT WAS NOTHING SERIOUS.

2. THE COALITION HAD MET THAT MORNING TO CONSIDER THE REGIONAL ELECTION RESULTS. THE CDU HAD MADE A MISTAKE IN LOWER SAXONY IN PROPOSING THAT ALBRECHT SHOULD STAY ON FOR THE FIRST TWO YEARS AND THEN BE SUCCEEDED.

3. GENSCHER SAID THE COALITION PARTNERS HAD CONCLUDED THAT IT WAS NOT SAFE TO GO ON WITH TWO GERMANIES; ONE PAYING AND ONE RECEIVING. ALL THIS WAS COMPOUNDED BY THE ATTITUDE OF THE SPD WHO IN THE GDR PRESSED FOR MORE MONEY AND IN THE FRG COMPLAINED AT THE HIGH LEVEL OF EXPENDITURE. THE COALITION WOULD, THEREFORE, GO FOR PAN-GERMAN ELECTIONS ON 2, 9 OR 14 DECEMBER. GENSCHER'S OWN PEOPLE WERE CONTENT WITH THIS AS WAS DE MAIZIERE. SOME OF THE CDU IN BERLIN WERE NOT. THEY LIKED BEING IN GOVERNMENT, ORDERING EXPENDITURE AND SENDING THE BILL TO BONN. THAT RESISTANCE WOULD BE OVERCOME. ONE OF THE PROBLEMS WAS THAT THERE WOULD NOT BE ENOUGH EAST GERMAN SEATS IN THE BUNDESTAG FOR ALL THE PRESENT MEMBERS OF THE EAST GERMAN PARLIAMENT. BUT THERE WOULD BE LAENDER SEATS AVAILABLE FOR WHICH THEY COULD STAND. IT WOULD BE A MISTAKE IF UNITY APPEARED TO BLOCK PEOPLES' CAREERS. NOR DID HE THINK THAT THE SPD COULD HOLD UP THE PROCESS WITHOUT APPEARING TO OPPOSE UNIFICATION. GENSCHER SAID THERE HAD NEVER BEEN ANY DISAGREEMENT BETWEEN HIM KOHL ON THE ISSUE OF SYNCHRONISATION. HE WAS GRATEFUL FOR THE CLARIFICATION OF OUR POSITION GIVEN BY THE SECRETARY OF STATE IN THE HOUSE OF COMMONS. HE RECOGNISED THAT THE GERMAN PRESS HAD BEEN GIVEN A FALSE STEER BY THE MFA IMMEDIATELY AFTER THE 2 PLUS 4 TALKS. GENSCHER SAID THAT GERMAN MEMBERSHIP OF NATO WAS NOT FOR DISCUSSION WITH THE RUSSIANS. HE HAD TOLD SHEVARNADZE THAT SOVIET TROOPS IN THE GDR WERE AT THE MERCY OF EAST GERMAN PUBLIC OPINION. HE RECOGNISED THAT THE GERMANS WOULD HAVE A FINANCIAL PRICE TO PAY TO GET AN AGREEMENT WITH THE RUSSIANS. BUT THE RUSSIANS WOULD HAVE TO COME ROUND TO THE EXTERNAL AND INTERNAL ASPECTS OF UNITY BEING HANDLED TOGETHER IN THE AUTUMN.

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