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CONFIDENTIAL

FM CAB OFFICE FOR P.M.'S PARTY

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FM BONNN TO FCOLN

031740Z AUG

GRS 1236

CONFIDENTIAL

UK COMMS ONLY

FM BONN

TO DESKBY 031830Z FCO

TELNO 937

OF 031740Z AUGUST 90

INFO IMMEDIATE BM BERLIN, EAST BERLIN, MOSCOW, UKDEL VIENNA, PARIS
INFO IMMEDIATE WASHINGTON, UKDEL NATO, UKREP BRUSSELS, CICC GERMANY
INFO IMMEDIATE MODUK, ACTOR
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INFO SAVING HQ JSLO, HMCBS IN THE FRG

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MODSH PASS TO CICC GERMANY AND MODUK

MY TELNO 930 AND EAST BERLIN TELNOS 461 - 463: GERMAN UNIFICATION

SUMMARY

1. DE MAIZIERE'S ANNOUNCEMENT WELCOMED BY GOVERNMENT COALITION. BOTH SPDS OBJECT, AND MAY TRY TO BLOCK THE CHANGE OF THE ELECTION DATE. EARLY UNIFICATION NOW A STRONG PROBABILITY. PLenty OF DIFFICULTIES BUT NO INSUPERABLE PROBLEMS FOR US. RUSSIAN RESPONSE CRUCIAL. IF THEY ACQUIESCE, LIKELY TO PRESS HARD FOR GERMAN CONCESSIONS IN THEIR BILATERAL TREATIES IN EXCHANGE FOR ACCELERATION OF UNIFICATION.

DETAIL

REACTIONS IN BONN

2. KOHL AND LAMBSDORFF (FDP CHAIRMAN) HAVE WELCOMED DE MAIZIERE'S PROPOSAL FOR 14 OCTOBER ELECTION. THE SPD, HOWEVER, ARE OBJECTING. SENIOR PARTY FIGURES ARE CLAIMING THAT THE MOVE VINDICATES THEIR WARNINGS ABOUT THE DIRE ECONOMIC CONSEQUENCES OF THE FEDERAL GOVERNMENT'S 'OVERHASTY' POLICY ON UNIFICATION. NOW THE GOVERNMENT, THEY CLAIM, ARE TRYING TO ESCAPE THE ELECTORAL CONSEQUENCES OF THEIR MISTAKEN POLICY BY BRINGING THE ELECTION FORWARD.

3. DE MAIZIERE'S ANNOUNCEMENT COMES AGAINST A BACKGROUND OF COMMENT IN THE FRG, MUCH STRONGER IN THE LAST FORTY EIGHT HOURS, THAT EARLY ACCESSION BY THE GDR WAS BECOMING INEVITABLE BECAUSE OF THE RAPIDLY DETERIORATING ECONOMIC SITUATION IN THE GDR. THE GDR'S GOVERNMENT'S INADEQUATE MANAGEMENT OF IT AND THE CONSEQUENT ESCALATING COST TO THE FRG. AT ONE LEVEL, THEREFORE, THIS DEVELOPMENT THEREFORE COMES AS NO SURPRISE. BUT ITS SUDDENNESS, AND THE FACT THAT VERY FEW PEOPLE INDEED IN BONN WERE PRIVY TO DE MAIZIERE'S ANNOUNCEMENT BEFORE IT WAS MADE (A GOVERNMENT SPOKESMAN HAS SAID THAT THEY HAD THOUGH DE MAIZIERE WAS GOING TO PUT HIS IDEAS TO THE VOLKSKAMMER FIRST), MEANS THAT LITTLE THOUGHT HAS BEEN GIVEN TO THE IMPLICATIONS OF THIS REVISED UNIFICATION TIMETABLE. OFFICIALS WE HAVE CONTACTED WERE CLEARLY UNPREPARED. HARTMANN'S (CHANCELLERY) STATEMENT TO ME (AND SUBSEQUENTLY TO THE US AMBASSADOR) THAT 1 OCTOBER WOULD BE THE ACCESSION DATE, AND DE MAIZIERE'S ACTUAL STATEMENT (EAST BERLIN TURS) THAT ACCESSION SHOULD BE DECLARED AT THE LAST VOLKSKAMMER SESSION BEFORE THE ELECTIONS, IS AN EXAMPLE OF THE RESULTING CONFUSION (THOUGH THE OUTCOME IN PRACTICE MAY BE MUCH AS HARTMANN SAID).

NEXT STEPS

WILL THE TWO GOVERNMENTS SUCCEED IN BRINGING FORWARD ALL GERMAN ELECTIONS? THIS IS THE FIRST QUESTION. THE ASSENT OF THE SPD MUST BE OBTAINED AND IT IS NOT YET CLEAR HOW THEY WILL PLAY THEIR HAND. UNDER THE BASIC LAW THE EARLIEST DATE ON WHICH BUNDESTAG ELECTIONS CAN BE HELD IS 45 MONTHS AFTER THE LAST ONES - IE 18 NOVEMBER. A TWO THIRDS MAJORITY IS REQUIRED FOR THE NECESSARY CONSTITUTIONAL AMENDMENT. LAFONTAINE HAS ALREADY SAID THAT HE WILL SEEK TO OBSTRUCT THIS 'TRANSPARENT ATTEMPT AT MANIPULATION'. THIS WOULD LEAVE KOHL ONLY WITH THE OPTION OF CALLING FOR A VOTE OF CONFIDENCE AND, WITH THE HELP OF HIS COALITION, 'LOSING' IT (AS HAPPENED IN 1982). THE BUNDESTAG WOULD THEN AUTOMATICALLY BE DISSOLVED AND NEW ELECTIONS CALLED. APART FROM THIS BEING CONSTITUTIONALLY PRETTY DUBIOUS AND POLITICALLY A POOR START TO THE PROCESS OF PARLIAMENTARY UNIFICATION, IT STILL WOULD NOT WORK WITHOUT THE SPD'S SUPPORT IN THE BUNDESRAT (WHERE THE SPD HAS A MAJORITY) WHERE THEY CAN BLOCK THE RATIFICATION OF THE ELECTION AND UNIFICATION TREATIES. URGENT CONTACTS BETWEEN THE PARTY LEADERSHIPS SEEMS LIKELY, AND THERE WILL BE FURTHER DISCUSSIONS AT THE BUNDESTAG SPECIAL SESSION CALLED FOR 8 AUGUST.

5. IF AGREEMENT ON ADVANCING THE ELECTION TIMETABLE CANNOT BE OBTAINED, THE FOLLOWING SCENARIO WOULD BE POSSIBLE. USING ARTICLE 23, THE GDR COULD STILL ACCEDE EARLIER THAN PLANNED - WHICH WOULD GIVE THE FRG CONTROL OVER THE MOST PRESSING PROBLEM - THE EAST GERMAN ECONOMY. THE ALL-GERMAN ELECTION IS INTRINSICALLY A LESS URGENT MATTER AND COULD PERFECTLY WELL TAKE PLACE ON ITS PRESENT TIMETABLE UNDER THE ELECTION TREATY WHICH HAS JUST BEEN AGREED IE 2 DECEMBER. IN THE MEANTIME MEMBERS OF THE VOLKSKAMMER COULD BE CO-OPTED TO THE BUNDESTAG ON SOME AD HOC BASIS TO PASS NECESSARY LEGISLATION. THIS WOULD BE A PRACTICAL OUTCOME BUT NOT ONE INSTANTLY ATTRACTIVE TO THE GERMAN SENSE OF ORDERLINESS. THE SPD MIGHT HOWEVER SEE IT AS OFFERING THE ADVANTAGE OF NOT BEING HELD RESPONSIBLE FOR BLOCKING UNIFICATION, BUT ALSO OF ENSURING THAT KOHL DID NOT ESCAPE THE JUDGEMENT OF THE ELECTORATE ON THE COSTS OF UNIFICATION WHICH WILL SHOW UP IN THE AUTUMN.

CONSEQUENCES OF BRINGING FORWARD UNIFICATION OR ELECTIONS

A. INTERNAL

6. IF UNIFICATION IS BROUGHT FORWARD, THE SECOND STATE 'UNIFICATION' TREATY SCHEDULED FOR LEGISLATIVE PASSAGE BY END SEPTEMBER WILL HAVE TO BE PASSED BY BOTH PARLIAMENTS BEFOREHAND. SINCE FEDERAL LAW WILL BE APPLIED IN THE GDR EARLIER THAN EXPECTED, MORE EXTENSIVE TRANSITIONAL ARRANGMENTS THAN PREVIOUSLY PLANNED MIGHT BE NEEDED. (THE SAME IS LIKELY TO APPLY, MUTATIS MUTANDIS, TO EC LAW.) NEITHER OF THESE TWO CONSEQUENCES IS GOING TO SEEM DIFFICULT IF THEY HELP SECURE THE PRIZE OF GREATER CONFIDENCE IN THE EAST GERMAN ECONOMY.

7. IF THE ELECTIONS ARE BROUGHT FORWARD AS WELL, THE ELECTION TREATY WHICH HAS ALREADY BEEN THE OBJECT OF A LOT OF PAIN, WILL NEED FURTHER AMENDMENT. THE CONSTITUTIONAL ISSUE WILL ALSO HAVE TO BE RESOLVED (PARAGRAPH 4 ABOVE). THE SPD AND CDU WILL PRESUMABLY BRING FORWARD THEIR PLANNED 'UNIFICATION CONFERENCES', CURRENTLY SCHEDULED FOR THE END OF SEPTEMBER/EARLY OCTOBER. THE BATTLE THAT HAS TO BE WON TO BRING FORWARD THE ELECTIONS IS CONSIDERABLY GREATER THAN THAT TO BRING EARLY UNIFICATION.

9. FROM THE MOMENT OF UNIFICATION, THERE WILL BE ONE GERMAN STATE INTERNATIONALLY, 22 SIGNATORIES TO THE CFE, NO GDR EMBASSIES ETC. GERMAN EYES WILL BE PRIMARILY FOCUSED ON SOVIET REACTIONS TO ADVANCED UNIFICATION. FIRST PRESS REPORTS SUGGEST THAT THE SOVIET UNION ARE NOT HAPPY ABOUT SOMETHING WHICH THEY SAY WOULD "DISTURB" THE PROCESS. GENSCHER ALREADY HAS A MEETING PLANNED WITH SHEVARDNADZE AT A DATE YET TO BE DECIDED IN AUGUST. AS SEEN FROM HERE THE SOVIET MAIN CONCERNS AT THIS STAGE WILL BE ARRANGEMENTS FOR SOVIET TROOPS ON GERMAN SOIL AND THE FUTURE MANPOWER LEVELS OF THE BUNDESWEHR - BOTH OF WHICH THEY HAVE EXPECTED TO GET TIED UP BEFORE THE TERMINATION OF FOUR POWER RIGHTS. PRESUMABLY THE GERMANS COULD WELL BE FACED NOW WITH RENEWED PRESSURE FROM THE RUSSIANS FOR THE SEPARATION OF UNIFICATION AND TERMINATION OF FOUR POWER RIGHTS AND/OR WITH SOVIET EXPLOITATION IN NEGOTIATION OF THE TIME PRESSURE UNDER WHICH THE GERMANS ARE PUTTING THEMSELVES. FOR THE WESTERN ALLIES, ONE OF THE OTHER MOST IMPORTANT ISSUES WILL BE GETTING SUITABLE ARRANGEMENTS IN PLACE AND ENSURING THAT A LEGAL VACUUM DOES NOT ARISE FOR THE PRESENCE OF OUR GARRISONS IN BERLIN IF FOUR POWER RIGHTS ARE TERMINATED EARLIER THAN EXPECTED. INFORMAL CONTACTS WITH GERMAN OFFICIALS SUGGEST THAT THEY HOPE TO AVOID HAVING TO ACCEPT LESS THAN FULL SOVEREIGNTY AT THE MOMENT OF UNIFICATION, NOTWITHSTANDING THE FACT THAT IT IS THEY WHO ARE PROPOSING THE CHANGES IN THE TIMETABLE.

9. AMONG THE NON-FOUR POWER PARTICIPANTS IN THE CSCE, THERE COULD, I IMAGINE, BE SOME GRUMBLING ABOUT THE FACT THAT THE PRESENTATION OF THE WORK OF THE TWO PLUS FOUR AT THE CSCE SUMMIT WILL, ON THIS REVISED TIMETABLE, BE EVEN MORE AN EMPTY EXERCISE THAN IT IS ALREADY LIKELY TO BE.

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