



Foreign and Commonwealth Office

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23 August 1990

Dear Charles,

German Unification - State of Play

The Prime Minister may welcome an account of the state of play on German unification, after the political skirmishing in Bonn and East Berlin over the past few weeks.

In summary, unification is now likely to take place on a date between 15 September and 14 October; the most probable date is 3 October. I enclose a note of the current timetable for both internal and external aspects (Annex A). On this basis, we shall meet the common objective of setting both aspects within broadly the same timeframe. Unification in October would suit us better than an earlier date. We had instructed the Embassies in Bonn and East Berlin to tell the Federal and GDR authorities that we shared their recent preference for 14 October.

Background

Although Kohl has been on holiday in Austria, there has been no lull in German politics this summer. The debate about the dates of all-German elections and unification has been the dominant theme. (The media have often given the Iraq/Kuwait crisis only second billing.) Key factors in decision-making have been:

- the GDR's deepening economic plight and reluctance of FRG and foreign investors to commit themselves until the picture is clearer;
- the lack of experience, competence or nerve of most GDR Ministers and the crumbling of the GDR coalition;
- the widespread view that the sooner elections are held the more likely Kohl is to triumph as architect of unity; and that the longer they are delayed the more he is likely to be reproached for the high cost of unification and to lose (to Lafontaine), as Churchill did in 1945.

The main episodes were as follows:

- Kohl persuaded De Maizièrre that unification should take place on or immediately before All-German elections on 2 December.



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- De Maizière then sought to advance the date to 14 October (when Land elections are due in the GDR); Kohl agreed.
- The SPD (whose support was needed in Bonn for a constitutional amendment for early elections) declined to cooperate, suggesting that the election date remain unchanged but that unification be brought forward to September.
- The Federal coalition and De Maizière then agreed to hold the elections on 2 December and to earlier unification, but they prefer to stick to 14 October for the latter.
- The SPD then left the GDR coalition on 19 August in protest at the CDU's handling of the negotiations on the unification treaty, leaving de Maizière in charge of a minority government.
- An agreement on 21 August between the GDR parties to meet again on 9 October to decide on a unification date fell apart within hours.
- Early this morning the GDR Parliament voted by a two-thirds majority for accession on 3 October. Bonn is likely to agree.

The exact outcome remains unpredictable, as events drive policy. However the Federal Government remain determined to achieve agreement in 2+4 before unification and would prefer to wait until after the 1/2 October meeting of CSCE Foreign Minister. The Bundestag and Volkskammer have this week been considering the draft Treaty on all-German elections. Negotiations on the unification treaty itself continue in Bonn; it should be ready for signature next week.

External Aspects

The Germans have briefed us and other partners on this new uncertain timetable, eg:

- De Maizière briefed the Ambassador in East Berlin on 6 August.
- Genscher telephoned the Foreign Secretary on 9 August; he also telephoned Baker, Dumas and Shevardnadze;
- Seiters (Federal Minister at the Chancellery) briefed Allied Ministers in Bonn on 9 August;
- Genscher briefed EC and NATO Foreign Ministers in Brussels on 10 August;



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- Kastrup (FRG Political Director) visited Moscow on 13/14 August; Genscher was there on 17 August. He briefed the EPC meeting in Paris on 21 August.

2+4

Preparations for the 12 September Ministerial in Moscow are proceeding. The last 2+4 Political Directors' meeting in Bonn on 19 July, following the 17 July Paris Ministerial, agreed to exchange draft texts for the Final Settlement by 15 August. (Details in Annex B.) The UK was ready to meet this deadline, but the Germans asked to waive it (which also suited the French). The Russians are now due to give us their draft next week, and the Western 1+3 aim to agree their drafts at a meeting in London today and then pass them to the Russians. This still leaves time for consideration before Political Directors meet again (1+3 on 3 September, 2+4 from 4 September) to tie matters up before the Ministerial. We still expect the Moscow Ministerial to be the last before signature.

EC/GDR

EQO met on 15 August to discuss the legal and technical implications of the new unification timetable. In summary:

- (a) EC law will apply from the date of unification.
- (b) EC legislation is necessary on transitional arrangements; this cannot be in place in time for an accelerated unification date - November is probably the earliest realistic date for final Council decisions. (c) The Commission submitted on 21 August a package of proposals covering transitional arrangements and derogations; also a proposal for handling the interregnum - post-unification, pre-Council decision.
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- (d) Accelerating unification does not, of itself, create significant new problems for us; we think there will probably be no increased costs to the Community/HMG, with extra own resources receipts broadly balancing CAP expenditure in the last quarter of this year.
- (e) There will be intensive Council and European Parliament work on the transitional measures during September and October.

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CFE

The CFE Treaty is not due to be agreed until November, so there will be no treaty limitation on German forces at the date when the unification is now expected. But the FRG and GDR will make a statement to the CFE Plenary in Vienna on 30 August committing themselves to limits on the manpower of the armed forces of the united Germany.

CSCE

Unification will probably take place before the CSCE Summit in November but the 2+4 may be able to present their agreement to the preparatory meeting of Foreign Ministers in New York on 1/2 October.

1+3

Germany and the Western Allies still need to settle many questions, including:

- Berlin points (termination of Four Power Rights and Responsibilities (QRRs); legal basis and practical arrangements for the Allied garrisons after unification; transitional arrangements for Allied carriers to operate air services; and other legal, technical and administrative issues to be resolved before unification, when Berlin will be integrated into the united Germany);
- the future legal basis for the stationing of Allied forces in Germany (the current Presence of Foreign Forces Convention lapses when the 2+4 agreement enters into force and the Germans are keen that new arrangements should be in place from the time of unification itself, when the Four are likely to suspend QRRs);
- issues arising from the 1954 Settlement Convention between the Three Powers and the FRG;
- bilateral claims matters.

Departments have looked closely at all these questions, and negotiations are now well under way with the Germans on most of them. We have concerted with the US and French, and remain in close contact with them. Our general assessment is that for the issues which have to be settled before unification the timetable is tight but manageable.

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ANNEX A: TIMETABLE

(a) Internal Aspects

End-August: Signature of FRG/GDR State Treaty on Unification

Mid-September: Ratification of State Treaty

3 October or any time between 15 September and 14 October):

Unification, ie State Treaty enters into force; extinction of GDR; Federal authorities take over (suspension of QRRs).

(2 December: All-German elections).

(b) External Aspects

23 August: 1+3 Political Directors, London

End-August or early Sept: FRG/GDR statement to CFE on future German force levels

3 September: 1+3 Political Directors, West Berlin

4 September: 2+4 Political Directors, East Berlin

12 September: 2+4 Ministerial, Moscow

17 September: EC Foreign Affairs Council, Brussels

Late-Sept: 2+4 Ministerial signing ceremony, Germany

1-2 October: CSCE Foreign Ministers, New York

22 October: EC FAC, Brussels

November: CFE Treaty; CSCE Summit

December?: Ratification and entry into force of 2+4 Final Settlement.

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ANNEX B

2+4 Settlement Text

1. 2+4 Political Directors agreed at their meeting on 19 July on a division of labour in drafting the text of the Settlement. The Russians are also expected to draft their own complete text.

2. The main elements are:

(A) Preamble: Largely agreed at 19 July meeting. UK/US have drafted an additional paragraph on Four Power Rights and Responsibilities (QRRs) (see also (B)).

(B) QRRs: French, FRG and US content with UK drafts, including declaration suspending QRRs from unification until final termination when Settlement comes into force.

(C) Berlin: US draft (with 1+3 agreement) was subsumed in UK draft of (B).

(D) Borders: French draft criticised by FRG, US, UK because a) it alters the wording of the 5 points agreed by 2+4 Ministers in Paris on 17 July, and b) it mixes up language for the Settlement itself and language for annexes. The French are working on a new draft.

(E) Take Note

Section: The FRG are drafting:

- (i) a chapeau for the German statements to be annexed,
- (ii) a statement on nuclear, biological

and chemical (NBC) weapons,
(iii) a statement on Soviet forces in the GDR,
(iv) a statement on the strength of German forces.

They have circulated all except (iv). (i) is acceptable. (ii) reaffirms German renunciation of NBC weapons, but refers explicitly only to the NPT. We are considering whether to have other cross-references, eg to the WEU treaty (as proposed by the French). (iii) raises problems, including its language on dual-capable systems, and access of foreign forces in the ex-FRG to the ex-GDR. At our request, supported by US, the FRG backed off its intention to discuss the text with the Russians last week.

(F) Final

Provisions: FRG draft of provision on ratification etc
broadly acceptable to France, US, UK.

3. The title of the Settlement has not yet been agreed.
One possibility is "Convention on the Final Settlement for Germany".

