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Foreign and Commonwealth Office

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London SW1A 2AH

12 December 1989

Jean Charles.

East/West Relations

Thank you for your letter of 8 December about possible developments in Central and Eastern Europe.

You list a number of requirements. This interim reply is to tell you what is already in hand and what further work we now plan. It does not seek to take full account of yesterday's meeting in Berlin of the Ambassadors of the Four Protecting Powers or of the discussions in London with Secretary Baker, both of which are, however, clearly relevant. What follows should be read against the background of the objectives which we conveyed to you while the Prime Minister was still at the European Council in Strasbourg last week, namely:

- to discuss how the process of change in the GDR might be steadied and made less risk-prone;
- to pre-empt excessive Soviet reaction to current developments;
- to remind the FRG of Allied responsibilities over Berlin and of Four-Power responsibilities for Germany as a whole, and hence to impress upon the FRG the need to consult;
- to secure and demonstrate a unified Western approach;
- to secure agreement that the Allies should indicate, notwithstanding the formal legal position, that they have no designs over the territory to the east of the Oder-Neisse line (the GDR/Polish border). (Although domestically sensitive for Kohl, this would involve no more than restating the Federal Government's position in the 1970 Polish Treaty.)
- on Berlin, to secure agreement in principle, particularly from France and the US, that, notwithstanding their legal position and with due regard to military preparedness, the three Western Berlin Allies should look favourably upon early far-reaching adaptation (eg over air services and minor status points);
- to pursue the possibility of a conference of the Four Berlin Powers plus, for some or all of the meeting, representatives of the two Germanys.

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Taking your points seriatim:

- (a) Consultative process over East Germany and other possible East European or Soviet hot spots. As you know intensive diplomacy is now underway, the main features of which are

12 December - Secretary Baker's visit to the Federal Republic

13 December - Meetings in Brussels at Political Director and Foreign Minister level

14/15 December - North Atlantic Council at Ministerial level

18 December - Shevardnaze's meeting in Brussels with the Foreign Ministers of the EC Twelve

This should hold and stabilise matters for the coming week, as well as reassure the Russians. The Foreign Secretary believes that a message from the Prime Minister to President Gorbachev could well be timely: we shall prepare a draft in the light of discussions in Brussels on 13 December. The Foreign Secretary also plans to have a meeting with Shevardnaze in the margins of the Brussels meeting on 18 December (as Shevardnadze has himself suggested in an oral message delivered by the Russians yesterday). A Ministerial visit to East Germany should perhaps await the emergence of a more stable authority there. But the Prime Minister may wish to consider pursuing her own idea of some further contact with President Mitterrand, who visits East Germany on 20 December and is also due to see President Bush in the Caribbean this weekend.

- (b) A "stabilising" plan, as a basis for the UK input to this intensive consultation process. The UK has already proposed in the regular secret consultations among close allies that contingency planning could usefully be undertaken to focus on how Western policy should cope with the risk of sudden over-heating of any hot spots in East Europe or the Soviet union leading to widespread disorder or violence (we have given thought to this within the FCO vis-à-vis the Baltic Republics and have indeed, as you suggest, drawn up a wider list of possible scenarios to be covered). We shall press for acceleration of this process in Brussels later this week and report on progress. But the existence of such work on wider contingencies needs to be closely held, since although the participants are the same, it is not strictly relevant to the work on Berlin among the Four, which is openly avowed.

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As for the West Germans themselves, again we have been giving a good deal of thought over recent weeks to the implications of the reappearance of the German question on the agenda and also to the consequences for Western policy of Chancellor Kohl's speech to the Bundestag on 28 November. On "binding in" and on consultation, apart from maximising the use of the EC and NATO frameworks for this purpose, the Foreign Secretary considers that the attitude and tone of our bilateral diplomacy toward the FRG remain the key, rather than specific blueprints which risk being overtaken by events. The aim should be to envelop and contain the West Germans with activity which we would present as assiduous 'help and support on the basis of firm Allied positions'. This will make it very difficult for them to move again without clearing their lines first as Kohl did on 28 November. We should, so to speak, smother them with diplomacy. There is too the formal and legal status we enjoy for Berlin and Germany as a whole, as yesterday's meeting of the four Ambassadors in Berlin will have reminded the Germans.

[How very unpleasant!]

- (c) Contingency planning in relation to British Forces in Berlin and BAOR. We have been in touch with MOD over the weekend. I understand that they will be reporting to you, in consultation with the FCO, on the state of current contingency plans; though it occurs to us that much of the traditional work that we have exercised so fully over previous years (Live Oak) was designed to respond to somewhat different circumstances.
- (d) Consequences for BFG of German moves toward confederation or unity. Sir Christopher Mallaby's preliminary view, which we share, is that the time frame may well be shorter than you imply by your reference to after "a CFE 2 agreement"; and that some kind of confederation may well prove to be the least (and perhaps the best) that we can reasonably hope for. Clearly this needs further analysis and the Foreign Secretary has put this work in hand. The implications for British and other Allied troop levels in the FRG of a rapid evolution of events toward German unity are not self-evident, and Russian views would also be relevant.

There is a separate question at what level of further Allied force reductions in Europe, whether stemming from German unity or from a continuation of the CFE process, NATO strategy would become unworkable, and the implications for structure and deployment of our forces. The MOD take the lead in the follow-up work on this flowing from the Prime Minister's seminar at Chequers. They will no doubt report on where it now stands and progress on analogous work at SHAPE and in Washington. It

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would be valuable if, notwithstanding the complexities, this work could be accelerated, at least to draw provisional conclusions.

- (e) Long term speculation on the diplomatic front. Here too we have given early thought within the FCO to the perspectives opened up by President Bush's references at the NATO Summit to the need for a new European "architecture". We shall continue to flesh out this work urgently, as an input to Allied consultations. We have taken on board your own suggestions. The Foreign Secretary's aim is to have a coherent plan in place to guide our approach to bilateral consultations before the Bush/Gorbachev summit, the Prime Minister's visit to the Soviet Union and the Summit of the Seven during 1990.

The Foreign Secretary believes that some collective Ministerial discussion of these issues soon would be valuable. Unless the Prime Minister favours OD for this, a further informal session, eg at Chequers, might be a good way to take stock. Mr Hurd has asked Mr Waldegrave within the FCO to oversee this complex of work identified above. John Weston will coordinate work here at official level, since as Political Director (from 2 January) he will be the main UK official involved in the various Allied consultative fora. We shall, of course, continue to make a full input to the work of the JIC, whose assessments of events in Eastern Europe continue to provide the essential point of departure, and will keep closely in touch with Sir Robin Butler and his staff in the Cabinet Office, as work progresses.

I am copying this letter to Brian Hawtin (MOD) and Sonia Phippard (Cabinet Office).

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Private Secretary

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From the Private Secretary

13 December 1989

EAST WEST RELATIONS

Thank you for your letter of 12 December detailing the work which is in hand on developments in Central and Eastern Europe. The Prime Minister has noted this. I think she will be prepared to chair a meeting at Chequers towards the end of January or very early February, and I will be in touch about a date. But she would think it essential to have papers prepared in good time for this. The aim should therefore be for both you and the Ministry of Defence to have the papers to which you refer in your letter ready by 20 January.

C.D. POWELL

J.S. Wall, Esq.,
Foreign and Commonwealth Office.

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