

2. The Soviet Union is withdrawing from Europe into its own domestic chaos. It will be less interested in foreign affairs, less willing and able to exert influence. The only card they hold is the probably unusable military one. The extremely tentative nature of Shevardnadze's proposal for a Four Power meeting on Germany illustrates the extent to which they will be prepared to back down when the West takes a firm line.

3. As the Soviet Union declines Germany's position is enhanced:
- the opportunity of unification has been opened up, increasing the long-run potential of the German economy and its political weight;
 - the liberation of Eastern Europe from Soviet domination returns its economic hinterland to Germany;
 - as military power becomes less important and economic power more important it will matter less that Germany has no nuclear weapons.

4. The UK is in the curious position that our relations with the declining power have never been better while those with the rising power are mixed. We need not only to anchor Germany in the West (probably not that difficult) but also to anchor ourselves firmly to Germany. Closer relations with France is no substitute.

—we have many shared interests and attitudes with the Germans. If we work together effectively we can have a major influence on the Community and the Alliance.

—as they incline more to independent action we shall want them to consult us more (c.f. our relations with the US).

—it always makes sense to have good relations with powerful actors.

5. Our number one foreign policy priority should be better and closer relations with Germany. This should not just be a matter of more visits, more exchanges, more teaching of German in schools, important as all those things are. We should in the future take particular account of the German position in framing our policies on the Community and on NATO. Above all we should recognise that Germany is now at a historical turning point. What we say and do towards Germany in the next few months will leave a lasting impression. This should be a long term policy but the current hiccups in Franco/German relations¹ give us an excellent and immediate opportunity.²

R.F. COOPER

¹ Undated marginal note by Mr Weston: 'They are actually getting on *very* well together.'

² Mr Weston minuted on 19 January 1990 to Mr Ramsden and Mr Wordsworth: 'I think this point of view is largely *acquis* in the FCO. The problem lies in No 10.'

No. 103

Letter from Mr Powell (No. 10) to Mr Wall

[WRL 020/1]

Secret and Personal

10 DOWNING STREET, 20 January 1990

Dear Stephen,

Prime Minister's Meeting with President Mitterrand

The Prime Minister had lunch with President Mitterrand at the Elysée Palace in Paris today. The President's Diplomatic Adviser, M. Hennekinne, was also

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present. The President was at his most affable and courtly. Virtually the whole discussion was about German reunification and European security, with a broad measure of agreement, in particular on how the talks should be followed up. It was agreed that neither side would say anything to the press about the substance of the discussion.

The Prime Minister opened by saying that events were moving very fast in Germany and throughout Eastern Europe and the Soviet Union. She was concerned that the Western powers were cloaking their response to these developments in rather vague and general declarations and failing to get to grips with the full implications of them. West Germany was constantly pressing forward towards reunification, and the sort of linkages which Chancellor Kohl typically made between reunification and the ending of the division of Europe were not very convincing. Moreover the Germans seemed just to assume that they could bring East Germany into the European Community. It had been most unhelpful of M. Delors to appear to endorse that.

The Prime Minister continued that East Germany for its part seemed to be close to collapse. It was by no means impossible that we would be confronted in the course of this year with a decision in principle in favour of reunification of the two Germanies. This would confront us all with a major problem and could cause particular difficulties for Mr. Gorbachev, perhaps threatening his position and reforms. It was very important for Britain and France to work out jointly how to handle these developments. Beyond that, no two countries in Europe were more staunch than Britain and France on defence. We needed to sort out our thinking on the implementation of a CFE Agreement and our attitude to the inevitable pressure for further reductions thereafter. What she was really saying was that the time had come to turn the rather vague remarks in the conclusions of the Strasbourg European Council into firm policies.

President Mitterrand agreed that German reunification was a central theme for both Britain and France. The sudden prospect of reunification had delivered a sort of mental shock to the Germans. Its effect had been to turn them once again into the 'bad' Germans they used to be. They were behaving with a certain brutality and concentrating on reunification to the exclusion of everything else. It was difficult to maintain good relations with them in this sort of mood. Of course the Germans had the right to self-determination. But they did not have the right to upset the political realities of Europe. He did not think Europe was yet ready for German reunification: and he certainly could not accept that it had to take priority over everything else.

The President continued that he thought West Germany was pushing for reunification harder than East Germany. At least this was the conclusion which he had reached from his visit to East Germany before Christmas. East Germany was far behind the West and people there did not like the idea of being 'bought' by West Germany. Even when meeting students in Leipzig, he had not detected any great enthusiasm for reunification. He was convinced that some of the demonstrations in East Germany in favour of reunification had been encouraged by West German 'agents', who had provided the banners and other material calling for reunification, although he was not saying they were necessarily sent by the West German government. But we had to recognise that the East German government was losing authority and there was a danger of disorder as well as economic breakdown. This could lead people to the conclusion that there was no alternative to reunification.

The President continued that we had to accept that there was a logic to reunification. But everything depended on the how and when, and on the reactions of the Soviet Union. Britain and France were arguing for caution. The trouble was that the West Germans did not want to hear this. They treated any talk of caution as criticism of themselves. Unless you were wholeheartedly for reunification, you were an enemy of Germany. Because the Prime Minister was such a close friend and they had a tradition of working together, he would tell her in strict confidence some things which he had said to Chancellor Kohl and to Herr Genscher. He had been very blunt with them. He had said to them that no doubt Germany could if it wished achieve reunification, bring Austria into the European Community and even regain other territories which it had lost as a result of the war. They might make even more ground than had Hitler. But they would have to bear in mind the implications. He would take a bet that in such circumstances the Soviet Union would send an envoy to London to propose a Re-insurance Treaty and the United Kingdom would agree. The envoy would go on to Paris with the same proposal and France would agree. And then we would all be back in 1913. He was not asking the Germans to give up the idea of reunification. But they must understand that the consequences of reunification would not just stop at the borders of Germany. The attitude of Italy, Belgium, the Netherlands, Britain and France in the discussions at the Strasbourg European Council should have been a warning to the Germans. Was it really in Germany's interest to ignore all this?

The President said that he drew the conclusion that it would be stupid to say no to reunification. In reality there was no force in Europe which could stop it happening. None of us were going to declare war on Germany. Nor judging by his statements was Mr. Gorbachev. There were the Four Power agreements and they served a useful purpose. But at the end of the day they could not prevent reunification. In short he agreed with the Prime Minister's analysis and shared her wish to talk all these issues through very carefully. Indeed she was the only person to whom he could talk frankly about them. But he was honestly at a loss what we could do.

The Prime Minister said she did not necessarily agree there was nothing to be done. If other countries all made their views felt together, then we could influence Germany. Indeed there were some signs that this was happening already. The instruments available to us were the obligation in the Bonn/Paris Convention to consult about the future of Germany, the Four Power Agreements, the Helsinki Final Act, the need for negotiation on East Germany's membership of the European Community and the inevitable requirement for a substantial transition period between a decision in principle on reunification and its realisation in practice. We should make use of all of these to slow down reunification. The Germans could not simply ignore these agreements or ride rough-shod over them. The trouble was that other governments were not ready to speak up openly. We should say to the Germans that reunification would come one day, but we were not ready for it yet. We should insist that agreements must be observed and that East Germany must take its place in the queue for membership of the Community. If we all spoke up, then the Germans would have to take some notice. German policy was to test how far they could go with the rest of us, and at the moment they were getting away with too much. She accepted that in the end reunification would come about. But we must find some way to slow it down.

President Mitterrand said that he agreed. But he came back once more to his main preoccupation: what means did we have? There would be nothing worse than

to remind the Germans of their obligations but then find we had no means to enforce them. If we spoke harshly, we would not carry conviction. The Prime Minister said that we would if we acted together. For instance we could remind the Germans that they were constantly saying that reunification would only come about as part of ending the division of Europe. Yet we were a long way from that. We must turn the Germans' own statements against them. The decision over the East German membership of the European Community gave us some leverage. President Mitterrand said that French experience over the Schengen Agreement had been instructive. Chancellor Kohl had telephoned him to complain that the French were dragging their feet and must sign the agreement. He had given the necessary instructions to the French Interior Minister, only to find the next day that the Germans were insisting on expanding the agreement automatically to include East Germany. The Germans could not be allowed to throw their weight around like this. He had subsequently discovered incidentally that the East Germans had known nothing about it. The Prime Minister commented that this illustrated the importance of retaining the ability to block certain decisions. This was precisely the sort of approach we needed to adopt to slow down German reunification. Once France and Britain had worked out a common position, we should try to bring others such as the Italians and the Dutch to our point of view.

The Prime Minister continued that she thought that we had a stronger hand on German reunification than President Mitterrand believed. We must try to tie the Germans down on a substantial transitional period as well as on the aspect of East German membership of the Community. President Mitterrand commented that he was surprised by M. Delors' statement on East Germany.¹ He would also like the Prime Minister to know that he had declined to attend Chancellor Kohl's recent speech in Paris or to meet him.² This was the first time for years that they had not met on such an occasion. He had wanted to make clear that what Kohl said in no way reflected France's views. He was much criticised in the French press for trying to stop the inevitable thrust of history and failing to understand the Germans. The Prime Minister said that she and President Mitterrand should stand together on this. The 1990s ought to be a decade of hope. We must not let it become a decade of fear. We must insist the Germans stand by agreements. President Mitterrand added that we should perhaps try to persuade the Soviet Union to stiffen East German resistance to reunification.

President Mitterrand said that he shared the Prime Minister's concerns about the Germans' so-called mission in central Europe. The Germans seemed determined to use their influence to dominate Czechoslovakia, Poland and Hungary. That left only Rumania and Bulgaria for the rest of us. The Poles would never come to like the Germans while the Oder-Neisse Line remained in question. Nor would the others want to be under Germany's exclusive influence. But they would need

¹ Probably M. Delors' address to the European Parliament on 17 January, introducing the European Commission's programme for 1990, in which he declared that there was 'a place for East Germany in the Community should it so wish, provided, as the Strasbourg European Council made quite clear, the German nation regains its unity through free self-determination, peacefully and democratically, in accordance with the principles of the Helsinki Final Act, in the context of an East-West dialogue and with an eye to European integration. But the form that it will take is, I repeat, a matter for the Germans themselves.' (*Bulletin of the European Communities, Supplement 1/90* (Luxembourg, 1990), p. 9.)

² Herr Kohl had delivered a speech in Paris on 18 January in which he sought to reassure French opinion by insisting that 'the German house must be built under a European roof' and that German unity would mean no change to Poland's borders.

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German aid and investment. The Prime Minister said that we should not just accept the Germans had a particular hold over the countries of Eastern Europe but do everything possible to expand our own links.

The Prime Minister added that Britain and France should also look at the position on the defence of Europe, which was no less worrying. There seemed to be growing opposition in West Germany to the presence of foreign troops. It was also clear that the West Germans and the Americans were determined to press ahead with further reductions in conventional forces after a first CFE agreement. She was absolutely determined to maintain adequate defence and believed the President thought in similar terms. We must also ensure that the Americans continued to keep forces and nuclear weapons in Europe.

The Prime Minister continued that she would like to suggest that our Foreign and Defence Ministers should each get together privately to talk over the issues of German reunification and the scope for closer defence cooperation between Britain and France, and report to the President and to her at the next bilateral summit or possibly earlier. President Mitterrand readily agreed. He enquired when the Summit would take place and, on being told, asked M. Hennekinne how this related to the date of the next Franco-German Summit. It might be better for him and the Prime Minister to meet before that. In any event, he would try to speak to M. Dumas in Dublin this evening and give him the necessary instructions to talk to the Foreign Secretary.

As you will be aware, I conveyed the gist of this to the Foreign Secretary this afternoon before his departure for Dublin. The sense of the meeting was clearly that Defence Ministers should also meet very soon. The Prime Minister did not hand over any speaking note to the President or offer to write to him in more detail about either German reunification or defence cooperation. But it would be in order for the Foreign and Defence Secretaries to draw on the more detailed material in the Foreign Secretary's papers on these subjects in talking to their French opposite numbers.

This letter contains extremely sensitive information and I should be grateful if it could be given a very limited distribution only. But Sir Ewen Fergusson in Paris should receive a copy since the Prime Minister mentioned it orally to him.

I am copying this letter, on a strictly personal basis to Simon Webb (Ministry of Defence).

Yours sincerely,
C.D. POWELL

No. 104

Letter from Sir C. Mallaby (Bonn) to Mr Weston

[WRL 020/1]

Confidential

BONN, 24 January 1990

Dear John,

The German Question and its Repercussions

1. This letter summarises some current issues, as a contribution to thinking in London as Ministers approach decisions on policy.