

(CORRECTED VERSION)

FM EAST BERLIN
TO DESKBY 240800Z FCO
TELNO 070
OF 231930Z JANUARY 90
AND TO DESKBY 240800Z BONN
INFO PRIORITY MOSCOW, PRAGUE, WARSAW, BUDAPEST
INFO PRIORITY WASHINGTON, PARIS, BMG BERLIN

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FROM PRIVATE SECRETARY
SECRETARY OF STATE'S VISIT TO THE GDR: TALKS WITH MODROW

SUMMARY

1. MODROW SEES GDR ENTERING CRUCIAL PHASE IN RUN UP TO 6 MAY ELECTIONS. KEEN TO BRING NEW PARTIES INTO GOVERNMENT BUT LATTER SUSPICIOUS AND RELUCTANT. RECOGNISES THAT THERE WILL BE RADICAL CHANGE BUT ANXIOUS THAT ALLIES SHOULD PROMOTE STABILITY. SEES HIS PROPOSAL FOR A CONTRACTUAL COMMUNITY BETWEEN THE TWO GERMANIES AS A POSSIBLE STAGING POST TO CONFEDERATION. ALSO RECOGNISES THAT REUNIFICATION IS ON THE ELECTION AGENDA BUT DISCONCERTED THAT SOME PARTIES (PARTICULARLY CSU) ARE USING THE GDR AS PART OF THE FRG ELECTION CAMPAIGN. POINTS OUT THAT AFTER 6 MAY THE GDR WILL STILL DEPEND ECONOMICALLY ON THE SOVIET UNION. SEES DEVELOPMENTS IN THE SOVIET UNION AS CRITICAL FOR PERESTROIKA. LEAVES OVERALL IMPRESSION THAT GDR COULD EASILY TIP OVER THE EDGE INTO CHAOS.

DETAIL

2. THE SECRETARY OF STATE SPENT OVER AN HOUR WITH MODROW, WHO HELD THE FLOOR FOR 45 MINUTES. HE GAVE THE IMPRESSION OF A MAN WHO HAD NO PERSONAL AXE TO GRIND BUT WAS HAVING TO ENGAGE IN SOME VERY SKILFUL MANOEUVERING TO KEEP STABLE GOVERNMENT IN PLACE AND WHO CLEARLY SAW A REAL RISK OF DISORDER AND CHAOS.

3. MODROW WAS GLAD THE SECRETARY OF STATE HAD COME AT WHAT WAS THE START OF A NEW STAGE IN THE DEMOCRATIC UPHEAVAL OF THE GDR. THE GDR WAS UNDERGOING SWEEPING, EVEN REVOLUTIONARY CHANGES. THEY HAD HAD TO COPE WITH THEIR PAST AS THE ONLY WAY TO THE FUTURE: WORKING OFF THE BACKLOG OF HISTORY. NOW COMPLETELY NEW DEMOCRATIC FORCES (PARTIES AND MOVEMENTS) WERE SPRINGING UP. THEY HAD TRIED TO FIND A ROAD TO DIALOGUE AND CONCENSUS BASED ON THE POLISH MODEL OF A ROUNDTABLE. THE PILLARS HOLDING UP SOCIETY WERE THE PARLIAMENT, GOVERNMENT AND THE ROUNDTABLE. ALL THREE WERE BOUND TOGETHER AND WERE INTER-DEPENDENT. NO ONE PARTY COULD EXCLUDE THE OTHER BUT IT

WAS NOT EASY TO MAKE THE WHOLE THING WORK AND TO REACH DECISIONS. THE GOVERNMENT HAD LAUNCHED A NEW INITIATIVE INVITING THE NEW PARTIES AT THE ROUNDTABLE TO TAKE PART IN GOVERNMENT. HE HAD NOT DONE THIS AS A COURTESY BUT BECAUSE THE PRESENT COALITION WAS VERY FRAGILE AND THERE WAS NO GUARANTEE THAT THE GOVERNMENT COULD FUNCTION UNTIL 6 MAY IN ITS PRESENT FORM. HE HAD TO BROADEN HIS BASE TO KEEP THE COUNTRY GOVERNABLE. WHAT MODROW CALLED THE UNQUIET PEOPLE OF THE

GDR HAD USHERED IN A PERIOD OF CHANGE. THOSE SAME PEOPLE COULD CALL INTO QUESTION EVERYTHING THAT HAD SO FAR BEEN ACHIEVED. THERE WERE STRONG SIGNS OF EXTREMISM. FOLLOWERS OF THE REPUBLIKANER PARTY THOUGHT THEY HAD 30% SUPPORT IN THE GDR. THAT MIGHT BE AN EXAGGERATION BUT 15-20% WAS NOT UNREALISTIC. THERE HAD BEEN A STABLE SOCIAL STRUCTURE IN THE GDR BUT WITH THE OPENING OF THE BORDER WITH THE FRG THAT WAS AT RISK. THE FOUNDATIONS OF THE GDR'S STRUCTURE WERE LINKED TO SUBSIDIES AND CHEAP PRICES. NOW THE OPEN BORDER AND SPECULATIVE EXCHANGE RATES WERE UNDERMINING ALL THAT. HE DEMOCRATIC PROCESS COULD NOT HAPPEN IF ONE SIDE CALLED FOR ELECTIONS WITHOUT TAKING ANY RESPONSIBILITY AND LEAVING EVERYTHING TO THE GOVERNMENT.

4. MODROW SAID THAT IT WAS HIS DEEP PERSONAL CONVICTION THAT THE GDR COULD NOT PROCEED ON THE BASIS OF CONSTANT HARPING ON THE PAST. THOSE WHO WERE NOW IN GOVERNMENT HAD TO BE ABLE TO TAKE THEIR RESPONSIBILITIES. THOSE WHO WERE GUILTY WERE ALREADY IN PRISON AND REPRESENTED NO DANGER. REVERTING TO THE VULNERABILITY OF THE SITUATION, MODROW SAID THAT SOME POLITICAL PARTIES IN THE FRG WANTED TO CONDUCT THEIR ELECTION CAMPAIGNS IN THE GDR. THIS APPLIED PARTICULARLY TO THE CSU, THOUGH OTHERS WERE BEHAVING IN A SIMILAR WAY. THE PREVIOUS DAY THE GERMAN NEWSPAPER BILD HAD SAID THAT THE GDR ARMY AND THE STASI WERE BEING ARMED IN PREPARATION FOR A COUP D'ETAT. THEY SAID THERE WOULD BE A GENERAL STRIKE ON WEDNESDAY AND IMPLIED THAT THE COUNTRY WAS ON THE VERGE OF A CONFLAGRATION. THERE WAS NO BASIS FOR THIS BUT IN A VOLATILE SITUATION THERE WERE ALL TOO MANY PEOPLE WHO COULD BE INFLUENCED BY SUCH RUMOURS. THAT KIND OF TENSION WAS BAD FOR THE GDR BUT IT WENT BEYOND THAT.

5. MODROW HOPED THAT THE FRG AND ITS ALLIES COULD EXERT INFLUENCE SO THAT THE SITUATION IN THE GDR DID NOT GET OUT OF HAND. THERE WAS MUCH TALK OF REUNIFICATION OR UNIFICATION. THE FORMER TERM MADE THE POLES FEEL THREATENED. THEY WERE AFRAID OF THE RESURGENCE OF GERMAN NATIONALISM. THEY ALSO SAW PROBLEMS IN THE POWER OF A

UNITED GERMANY. THIS UNDERLAY HIS OWN PROPOSAL FOR A CONTRACTUAL COMMUNITY BETWEEN THE TWO GERMANIES. HE WAS PREPARED TO ENVISAGE A CONFEDERATION BUT HE BELIEVED THE TWO GERMAN STATES SHOULD CONTINUE FOR THE TIME BEING WHILE THE LONGER TERM DEVELOPMENT OF THE TWO GERMANIES SHOULD BE FIRMLY EMBEDDED IN THE CSCE PROCESS. ON BOTH SIDES THERE WERE NATIONALISTIC FORCES WHICH DID NOT WANT TRANQUILITY. THEY HAD CALLED FOR THE DISSOLUTION OF THE SED-PDS AND FOR THE DISSOLUTION OF THE STATE SECURITY AUTHORITIES. THEY OPPOSED SOCIAL DEMOCRACY AND SOON THEY WOULD BE CALLING FOR HIS REMOVAL. THE NEXT STEP AFTER THAT WOULD BE THE ABOLITION OF THE GDR. MEANWHILE, GDR CITIZENS WERE LEAVING IN LARGE NUMBERS. THIS WAS BECOMING MORE AND MORE DIFFICULT: THE FRG COULD NOT TAKE ANY MORE AND THE GDR WAS LOSING TOO MANY. PEOPLE WERE LOOKING AT THE 6 MAY ELECTIONS LIKE A SNAKE WITH A RABBIT, BUT THERE WOULD NOT BE A COMPLETELY NEW GDR ON 7 MAY. THE ECONOMIC AND SOCIAL STRUCTURE WOULD REMAIN THE SAME. THE GDR WAS OPENING ITSELF TO ECONOMIC COOPERATION BUT YOU COULD NOT CHANGE A COUNTRY IN THREE MONTHS. IT WOULD TAKE 2, 3 OR 4 YEARS. HE HOPED POLITICIANS IN THE FRG WOULD UNDERSTAND THIS AND THAT BRITAIN WOULD BRING ITS INFLUENCE TO BEAR IN FAVOUR OF A PROCESS OF GRADUAL CHANGE. IT WAS IN THIS CONTEXT ALSO THAT THE GDR WANTED TO DEVELOP ITS RELATIONSHIP WITH THE COMMUNITY AND THE COUNTRIES OF THE COMMUNITY (HE MENTIONED BRITAIN AND FRANCE IN PARTICULAR). AS PART OF THIS BALANCED APPROACH, THE GDR WOULD NEED TO MAINTAIN ITS LINKS WITH THE SOVIET UNION. 40% OF ITS TRADE WAS WITH THE SOVIET UNION, FROM WHOM IT GOT 90% OF ITS RAW MATERIALS. ON THE BASIS OF GOODS SUPPLIED, THE GDR COULD NOT HOPE, FOR EXAMPLE, TO BUY THE SAME AMOUNT OF CRUDE OIL FROM THE WEST AS THEY DOUGHT FROM THE SOVIET UNION. NONETHELESS THE COUNTRIES OF EASTERN AND CENTRAL EUROPE LOOKED TO THE GDR AND CZECHOSLOVAKIA AS INTERESTING MARKETS. THE GDR COULD PERHAPS BE A LINK.

6. CONCLUDING HIS ANXIOUS MONOLOGUE, MODROW SAID THAT HE COULD NOT PREDICT WHAT WOULD HAPPEN IN 5 OR 10 YEARS. HE WAS SITTING HERE TODAY

AND HAD TO TAKE TODAY'S RESPONSIBILITIES. HE NEEDED SUPPORT AND HELP. THE 6 MAY ELECTIONS WOULD NOT BE THE END OF LIFE BUT IF THE GDR LOST STABILITY, LIFE WOULD BE BAD.

7. THE SECRETARY OF STATE THANKED MODROW FOR HIS FRANK ACCOUNT. WE HAD STRONG SYMPATHY AND WOULD USE OUR INFLUENCE TO TRY TO SUPPORT STABILITY UP TO AND BEYOND THE ELECTIONS. HE ASKED:
1) WHETHER THE OTHER PARTICIPANTS IN THE ROUNDTABLE WERE LIKELY

[REDACTED]

TO JOIN THE GOVERNMENT.

2) ABOUT THE IMPARTIALITY OF THE ELECTION PROCEDURES. SOME IN THE FRG WERE ANXIOUS THAT THERE WAS A BIAS IN FAVOUR OF THE SED.
3) WHETHER IT MIGHT BE POSSIBLE FOR SOME INTERNATIONAL FIGURE OUTSIDE THE GDR TO INVESTIGATE THE WRONGS OF THE PAST SO THAT THE ISSUE COULD BE PUT ON ONE SIDE FOR THE TIME BEING.
4) WHETHER DISCUSSION OF GERMAN UNITY WAS LIKELY TO HIJACK THE ELECTION. WERE ISSUES LIKE RELATIONS WITH THE SOVIET UNION, THE FUTURE OF THE WARSAW PACT AND THE PRESENCE OF SOVIET FORCES IN EAST GERMANY MATTERS OF PUBLIC CONCERN?

8. MODROW SAID THAT ON 1) THE PARTIES DID NOT WANT TO ENTER THE GOVERNMENT IN THE ABSENCE OF AN EMERGENCY. BUT WHO COULD DEFINE AN EMERGENCY? IF THEY WAITED UNTIL IT HAD HAPPENED, IT WOULD PROBABLY BE TOO LATE. WOULD THEY WAIT UNTIL THE COUNTRY WAS BROKEN DOWN AND NEAR ECONOMIC COLLAPSE OR WERE THEY PREPARED TO PREVENT THIS? THEY HAD NOT MADE UP THEIR MINDS. HE WOULD MEET THEM AGAIN ON 24 JANUARY (THOUGH HE CLEARLY DID NOT EXPECT TO REACH AN AGREEMENT THEM). HE WAS TRYING TO FIND A FORMULATION WHICH WOULD CONVINCHE THEM OF THE NEED TO AVOID CATASTROPHE.

9. ON 2) MODROW DISPUTED THE CONTENTION THAT THE SED-PDS HAD ANY UNFAIR ELECTORAL ADVANTAGE; THE PARTY'S MAIN DANGER WAS THAT IT WOULD FALL APART COMPLETELY. IN ANY DEMOCRATIC SYSTEM THE FACT THAT THE OPPOSITION MIGHT BE AHEAD IN THE OPINION POLLS DID NOT MEAN THAT THE GOVERNMENT SHOULD NOT GOVERN IN THE MEANTIME. ANYONE WHO WATCHED GDR TELEVISION WOULD SEE THAT EVERYBODY HAD A FAIR CRACK OF THE WHIP. PART OF THE PROBLEM LAY IN THE FACT THAT THE PARTIES COULD NOT MAKE UP THEIR MIND WHETHER THEY WANTED A FIRST PAST THE POST OR A PR SYSTEM. THE GOVERNMENT HOPED TO HAVE THE FIRST DRAFT OF AN ELECTORAL LAW BEFORE PARLIAMANT BY 29 JANUARY.

10. ON 3) MODROW DID NOT THINK AN INVESTIGATOR WAS NEEDED BECAUSE THOSE WHO HAD BEEN BLAMED FOR THE PAST WERE ALREADY IN PRISON. A LOT OF PEOPLE WOULD ANYWAY BE DISAPPOINTED BECAUSE THE SO-CALLED CRIMES WOULD TURN OUT TO BE VERY PETTY. MODROW SAID THAT, AT THE PRESENT RATE, EAST GERMANY WOULD SOON BE THE ONLY COUNTRY IN THE WORLD WVTHOUT AN INTELLIGENCE AND A COUNTER-INTELLIGENCE SERVICE. NO DOUBT THEIR EQUIVALENTS IN THE FRG WOULD CARRY OUT THESE TASKS BUT UNFORTUNATELY THE GDR DID NOT HAVE ACCESS TO THEIR FINDINGS. THE RESULT WAS THAT THE GDR GOVERNMENT HAD NO MEANS OF FINDING OUT ABOUT EXTREMISTS.

11. ON 4) MODROW SAID THE ELECTION CAMPAIGN WOULD INDEED BE MARKED

BY CALLS FOR UNITY. REFERRING TO THE PREVIOUS NIGHT'S DEMONSTRATIONS IN LEIPZIG, HE SAID THAT PEOPLE WENT FROM 150KM AROUND. THEY WERE INFLUENCED BY EXTREMIST FORCES IN SAXONY AND FROM BAVARIA. HE WENT ON TO SAY THAT HE SAW THE SITUATION IN THE SOVIET UNION AS COMPLEX. A PHASE HAD STARTED WHICH WOULD DETERMINE THE FATE OF THE COUNTRY. THE QUESTION WAS WHETHER PERESTROIKA COULD CONTINUE OR WHETHER NATIONALISM WOULD REVERSE IT. NEXT WEEK'S SOVIET PARTY PLENUM WAS CRUCIAL, WITH SERIOUS IMPLICATIONS BOTH FOR THE UNITY OF THE SOVIET UNION AND THE FUTURE OF THE WARSAW PACT. HE HOPED THAT THE PRESENT BALANCE OF POWER WOULD BE MAINTAINED. IN THE MEANTIME, THE QUESTION OF SOVIET TROOPS IN THE GDR WAS NOT A GREAT ISSUE, THOUGH IN SOME PLACES THERE HAD BEEN 'EVENTS'. HE HOPED THERE WOULD BE NO CONFLICT.

12. THE SECRETARY OF STATE SAID MODROW HAD GIVEN HIM A CLEAR SENSE OF HOW HE FACED HIS RESPONSIBILITIES. IT WAS IN EVERYBODY'S INTEREST THAT THE GDR SHOULD COME THROUGH ITS ELECTIONS IN CALM AND STABILITY. THE ELECTIONS WOULD NOT SOLVE THE PROBLEMS BUT WOULD ENABLE A LEGITIMATELY CHOSEN GOVERNMENT TO TAKE OFFICE. WE WOULD USE OUR INFLUENCE TO HELP IN PRACTICAL WAYS.

13. MODROW SAID THAT HE WOULD BE MEETING KOHL IN MID-FEBRUARY. SEITERS WOULD BE VISITING EAST BERLIN ON THURSDAY (25 JANUARY). GRATEFUL IF BONN WOULD PASS AN ACCOUNT OF THE ABOVE TO THEIR RELEVANT CONTACTS.

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