CONFIDENTIAL 43 Action 00481 EUR VV EUBØ1ØKEDØØ2 RR RUEHC 1964 APR 6 PM 7 29 DE RUFDBG 792 06/2230Z Info R Ø61850Z ZEA SS (FM_AMEMBASSY_BONN) G TO RUEHC/SECSTATE WASHDC SP DECLASSIFIED INFO RUFPAG/USAREUR Authority E.O. 11652 SEC. 5(A) and (D) ZEN/AMCONSUL MUNICH L ZEN/USBER BERLIN By 150, NARS, Date 4-26-76 H SAL ZEN/AMEMBASSY MOSCOW BT BTF CONFIDENTIAL DAC ACTION DEPT (3619) INFO BERLIN 792 MOSCOW 622 MUNICH 171 USAREUR ATD BREMEN DUESSELDORF HAMBURG STUTTGART LONDON PARIS UNN APRIL 6, 6 PM USIA PARIS ALSO FOR USRO NSC SUBJECT: FRG-USSR BILATERAL RELATIONS INR CIA IN THE ABSENCE OF ANY PROMISING INDICATIONS OF PROGRESS THROUGH NSA MULTILATERAL NEGOTIATIONS ON THE CENTRAL GERMAN AND BERLIN ISSUES WITH THE SOVIETS, EMBASSY HAS REVIEWED THE FIELD OF POSSIBLE BILATERAL OSD EFFORTS WHICH BONN MIGHT UNDERTAKE, MUCH AS THE US HAS DONE WITH REGARD ARMYTO CULTURAL EXCHANGES, A CONSULAR CONVENTION, CIVIL AIR AGREEMENT, ETC. NAVYPROSPECTS IN THIS AREA ALSO SEEM VERY LIMITED AT PRESENT, PARTLY AIR BECAUSE OF THE EVIDENT SOVIET DRIVE TO SECURE INCREASED RECOGNITION NIC TRSY PAGE 2 RUFDBG 792 CONFIDENTIAL RMR

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FOR THE GDR, PARTLY BECAUSE OF THE TECHNICAL OBSTACLE OF A BERLIN
CLAUSE IN ANY BILATERAL AGREEMENTS (ON WHICH THE FRG SETS MUCH
STORE), AND IN GENERAL BECAUSE A PRE-ELECTION PERIOD WILL MAKE ALL
GERMAN POLITICAL FIGURES A LITTLE MORE CAUTIOUS ABOUT INITIATIVES
THAT WOULD BE PROBLEMATIC AT BEST.

THE CURRENT TEMPER IN CDU/CSU CIRCLES WAS CLEARLY REFLECTED IN THE SPEECHES GIVEN BY FORM IN SCHROEDER AND DEFMIN YON HASSEL AT MUNICH LAST WEEK (MUNICH'S 378, 379 AND 380 TO DEPT). SCHROEDER GAVE A FIRM BUT GENERALLY CONCILIATORY RESPONSE TO MOSCOW'S RECENT MOVES IN ITS RELATIONS WITH BONN. HIS REMARKS WERE CAREFULLY FORMULATED, ON THE ONE HAND, TO MAKE CLEAR THAT THE FRG WOULD NOT BE INTIMIDATED BY SOVIET PROPAGANDA ATTACKS AND, ON THE OTHER, TO AVOID CLOSING THE DOOR TO MOSCOW'S INVITATION FOR BILATERAL DISCUSSIONS, OF WHICH THE

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GERMAN PUBLIC IS NOT YET AWARE. THIS NON-POLEMIC APPROACH WAS MUCH IN LINE WITH THE PRESENT MOOD IN BONN. STATE SECRETARY CARSTENS REMARKED TO THE CHARGE LATE LAST WEEK THAT THE GOVERNMENT WAS RELAXED AS FAR AS SOVIET RELATIONS WERE CONCERNED, IN VIEW OF THE CONTENTS OF THE MEMORANDUM WHICH AMBASSADOR SMIRNOV BROUGHT BACK TO ERHARD. THE GOVERNMENT VIEWS THE MEMORANDUM AS MORE SIGNIFICANT THAN THE HOSTILE PUBLIC STATEMENTS OF THE SOVIET REGIME. THERE IS NOTHING TO INDICATE,

PAGE 3 RUFDEG 792 CONFIDENTIAL HOWEVER, THAT IT HAS YET DECIDED HOW TO HANDLE THE SOVIET OFFER OF BILATERAL CONVERSATIONS.

THERE HAVE BEEEN A SURPRISING NUMBER OF PRESS REFERENCES TO THE POSSIBILITY OF A KHRUSHCHEV-ERHARD MEETING, BUT THESE SEEM TO HAVE BEEN PROMPTED BY RUMORS OF THE CONTENTS OF THE SOVIET MEMORANDUM RATHER THAN BY ANY INDICATION OF WHAT ERHARD'S EVENTUAL POLICY DECISION WILL BE. AT HIS MUNICH PRESS CONFERENCE SCHROEDER ANSWERED A QUESTION ABOUT AN ERHARD-KHRUSHCHEV MEETING WITH A NON-COMMITTAL REPLY THAT IT WOULD BE WRONG PUBLICLY TO INDICATE WHETHER HE HAD ADVISED ERHARD FOR OR AGAINST SUCH A MEETING.

IF THE CHANCELLOR IS ATTRACTED BY A MEETING WITH KHRUSHCHEV WITHIN THE NEXT TWELVE MONTHS, IT WOULD PROBABLY BE WITH THE FOLLOWING CONSIDERATIONS IN MIND:

ATTITUDE TOWARD DEALINGS WITH MOSCOW AND PANKOW AND THE ULTIMATE PUBLIC RESPONSE TO HIS DIFFERENCES WITH THE FRG ON THE BERLIN PASS QUESTION IS NOT YEAT CLEAR. IF ERHARD BECOMES PRESSED BY SPD GAINS IN THE EASTERN POLICY FIELD, HE MIGHT DECIDE THAT BY MEETING KHRUSHCHE, HE COULD TAKE THE WIND OUT OF BRANDT'S SAILS. THERE WOULD BE FAIRLY STRONG SENTIMENT WITHIN THE CDU AGAINST SUCH A MEETING, AS IS EVIDENT FROM THE WARM RECEPTION OF VON HASSEL'S MUNICH SPEECH (SEE MUNICH'S

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380). IT IS WORTH RECALLING, THOUGH, THAT KLAUS MEHNERT RECOMMENDED
THAT ADENAUER INVITE KHRUSHCHEV TO BONN AS RESPONSE TO THE SOVIET
MEMO OF DECEMBER 1961.

2. ECONOMIC OFFER -- SINCE BECOMING CHANCELLOR, ERHARD SEEMS TO HAVE GIVEN LITTLE FURTHER THOUGHTTO HIS IDEA OF UTILIZING WEST GERMANY'S ECONOMIC STRENGTH TO ACHIEVE POLITICAL CONCESSIONS FROM THE USSR. HE CERTAINLY HAS NOT FORGOTTEN IT, HOWEVER, AND HE MIGHT THINK IT

DECEMBER 19 CONFIDENTIAL -3- 3619, APRIL 6, 6 PM, FROM: BONN WORTH WHILE TO EXPLORE PERSONALLY WITH KHRUSHCHEV WHETHER THE AVAILABILITY OF WEST GERMAN ECONOMIC ASSISTANCE COULD CONSTITUTE THE NEW ELEMENT NEEDED TO BRING MOVEMENT INTO THE CURRENTLY FROZEN GERMAN QUESTION. EVEN BELOW THE LEVEL OF LARGE SCALE ASSISTANCE, IT IS DOUBTLESS THE ECONOMIC FIELD THAT OFFERS THE BEST PROSPECTS FOR MOVEMENT. IN SPITE OF SOVIET TESTINESS ABOUT THE ISSUE IT WILL BE RECALLED THAT THE TRANDE AND NAVIGATION AGREEMENT BERLIN CLAUSE IS PECULIARLY UNBINDING, SO THAT IT NEED NOT REALLY CONSTITUTE A BARRIER IN ESSENCE THE "CLAUSE" CONSISTS OF AN EXCHANGE OF "UNDERSTANDINGS", ON THE GERMAN SIDE THAT THE AGREEMENT APPLIES TO BERLIN, AND ON THE SOVIET SIDE THAT IT DOES NOT. WE DO NOT EXPECT ANY CHANGE IN GERMAN CREDIT POLICY IN THE NEAR FUTURE, BUT, ALTHOUGH IT WOULD BE DIFFICULT, SOME ACCOMMODATION OF THE SOVIET DESIRE FOR LONGER TERM TRADE PAGE 5 RUFDBG 792 CONFIDENTIAL ARRANGEMENTS MIGHT BE POSSIBLE IN THE LONG RUND. PRESTIGE -- IF DEGAULLE MEETS WITH KHRUSHCHEV SOON, AN IMPRESSION WILL BE FOSTERED IN GERMANY THAT IT IS THE PREROGATIVE OF MAJOR WORLD LEADERS TO HAVE DIRECT PERSONAL CONTACT WITH MOSCOW. RELIANCE ON WASHINGTON AS A CHANNEL TO KHRUSHCHEV IS LIKELY TO APPEAR INCREASINGLY ANACHRONISTIC AND BY NO MEANS ESSENTIAL TO THE PRESERVATION OF WESTERN UNITY. REPATRIATION -- THE FLOW OF REPATRIATES FROM THE USSR HAS FALLEN TO THREE OR FOUR MONTHLY, ALTHOUGH SOME 10,000 PERSONS REMAIN IN THE SOVIET UNION WHO HAVE REGISTERED FOR REPATRIATION. ERHARD MIGHT CALCULATE THAT SOME SUCCESS IN REACTIVATING REPATRIATION WOULD BE SUFFICIENT TO JUSTIFY A MEETING WITH KHRUSHCHEV, THE MAIN PURPOSE OF WHICH WOULD BE ONE OR ALL OF THE CONSIDERATIONS LISTED ABOVE. FOR THE PRESENT, WE WOULD NOT EXPECT ERHARD TO GO BEYOND A CAUTIOUS AND QUIET EXPLORATION OF SOVIET INTENTIONS. SUCH EXPLORATION, IN OUR VIEW, IS NOT YET LIKELY TO REVEAL ANY SUBSTANTIAL PROSPECTS OF EVEN SO, THE ABOVE CONSIDERATIONS WILL INCREASINGLY BECOME FACTORS IN GERMAN THINKING. THEY MAY BE BORNE IN MIND IF --AS WE CONSIDER LIKELY -- ERHARD CONSULTS WITH US ON THE ADVISABILITY OF SEEKING A MEETING WITH KHRUSHCHEV. GP-4 MCGHEE BI CONFIDENTIAL