

Dr. Hermannus Siefkes

# DEUTSCHE BUNDESBANK

Addressee's  
Copy

MIDDLE EAST  
FILE

Postanschrift: Deutsche Bundesbank • 6 Frankfurt 1 • Postfach 3611

Herrn  
Horst Mendershausen  
1700 Main St.  
Santa Monica  
Californien 90406  
U.S.A.

Bitte in der Antwort angeben

Ihr Zeichen und Ihre Nachricht vom

FRANKFURT (MAIN)

30. Juli 1965

Betreff

Lieber Herr Mendershausen!

Verbindlichen Dank für Ihren Brief vom 21. d. M. Ich antworte gern in deutscher Sprache, zumal ich heute in Urlaub gehe und noch verhältnismäßig viel zu tun ist.

Bei den "Beistandskrediten über die Girozentrale", nach denen Sie fragen, handelt es sich um langfristige Darlehen in Höhe von 80 Mio DM, die 1963 gemeinsam von den Girozentralen der Bundesrepublik einigen Geschäftsbanken der Vereinten Arabischen Republik gewährt wurden. Für diese im Rahmen der Entwicklungshilfe gegebenen Kredite hatte der Bund die Bürgschaft übernommen. Ich nehme an, daß sie aus diesem Grunde als "Beistandskredite" bezeichnet werden.

Die "Deutsche Girozentrale - Deutsche Kommunalbank" fungiert, wie Ihnen vermutlich bekannt sein wird, als Zentralinstitut der regionalen Girozentralen, d.h. der Spitzeninstitute der öffentlich-rechtlichen Sparkassen.

Ende August werde ich wieder in der Bank sein.

Mit den allerbesten Grüßen

steht Ihr

*Hermannus Siefkes*

AUG 3 1965

MAIL & RECORDS

1965 AUG - 3 PM 1:54

RECEIVED

PRÄSIDENT	
VICE PRÄSIDENT	
OPERATIONS MGR	
MANAGER	
COMMUNICATIONS	
PROGRAM ANALYSIS	
PROGRAM - G. ALPHA	
PROGRAM - G. BETA	
PROGRAM - G. GAMMA	
SECRETARY	
TREASURER	
RESEARCH COUNCIL	
AERO-ASTRO	
COMPUTER SCIENCES	
COST ANALYSIS	
ECONOMICS	
ELECTRONICS	
LOGISTICS	
MATHEMATICS	
PHYSICS	
PLANETARY SCIENCES	
SOCIAL SCIENCE	
SYSTEM OPERATIONS	
LIBRARY	
M.F.R.	
PERSONNEL	
REPORTS	
SECURITY	
TRAVEL	
FILE NO. 7997	

Taunusanlage 4-6

NOTENBANK  
FRANKFURTMAIN

Fernsprecher 2681 oder 268  
330682 oder 330681 und 371  
durchwählen

Telex  
Inland 4-1227  
Ausland 4-1232

Ast

# INSEL-HOTEL

EHEMALIGES DOMINIKANERKLOSTER

## KONSTANZ AM BODENSEE

TELEFON:  
(07531) 5214

TELEX:  
733276

TELEGRAMM:  
INSELHOTEL

A. STEIGENBERGER HOTELGESELLSCHAFT K.G. a.A.  
 FRANKFURT AM MAIN: Hotel Frankfurter Hof, Hotel Monopol-Metropole,  
 Flughafen-Restaurants, Henninger Turm Restaurants, Frankhof Kellerei  
 DÜSSELDORF: Park Hotel  
 DUISBURG: Hotel Duisburger Hof  
 MANNHEIM: Palasthotel Mannheimer Hof  
 STUTTGART: Hotel Graf Zeppelin  
 KONSTANZ: Insel-Hotel  
 BADEN-BADEN: Hotel Europäischer Hof, Badhotel Badischer Hof  
 BAD HOMBURG V. D. H.: Ritters Park Hotel  
 BAD KISSINGEN: Kurhaus-Hotel  
 BAD REICHENHALL: Grandhotel Axelmannstein, Kurhausbetriebe  
 ROM: Hotel Quirinale, Birreria „Bavaria“

MAIL & RECORDS

1966 JUL -5 AM 10:58

RECEIVED

June 30, 1966

ANS. BY .....  
 LETTER NO. ....  
 DATE .....

Dr. Hans Speier  
 The RAND Corp.  
 1700 Main Street  
 Santa Monica, Cal.

RAND Santa Monica	
PRESIDENT	
VICE PRESIDENT	
OPERATIONS MGR.	
LIBRARY	
COMMUNAL AFFAIRS	
PROGRAM ANALYSIS	
PROGRAM. ACC. ABPA	
PROGRAM. .... FAC	
PROGRAM MGR. ISA	
SECRETARY	
TREASURER	
RESEARCH SUBJECT	
AERO-ASTRO	
COMPUTER SCIENCES	
COST ANALYSIS	
ECONOMICS	
ELECTRICS	
LOGISTICS	
MATHEMATICS	
PHYSICS	
PLANETARY SCIENCES	
SOCIAL SCIENCE	
SYSTEM OPERATIONS	
LIBRARY	
M.F.S.	
PERSONNEL	
REPORTS	
SECURITY	
TRAVEL	
FILE NO.	20957

Dear Hans:

I thought you might be interested in some of the interviews I have been having in Germany. So I made carbon copies of the notes I transcribed, and I am sending them to you with this letter. The notes are rough and unedited. You must forgive the form. Some of the stuff you will probably find tedious; but there may be a few things of interest.

It's not an inspiring scene. A lot of wing flapping and no flying. All the political people want to go somewhere but cannot decide what it is. The mass does not seem to care greatly for the great goals and appears content enough with what it has or expects to get, in the way of goods and comforts. The government will probably do a lot more "lavieren", try a lot of things half-heartedly and avoid taking a clear line on anything.

After a few hot weeks in Paris and Bonn, I have run into cold weather and rain. I visited the churches on the Reichenau. Two of them are being refurbished and the third has been completed. Around them, things have mushroomed that are either out of style, or try awkwardly to be in style. I found the pictures in the books more attractive than the churches themselves in their present state and setting.

I hope you have been well. I'm heading for visits with Luchsinger and Kellermann.

With kind regards,

Sincerely,

*Horst*  
 Horst Mendershausen

Absender ist Gast des Hotels

Addresssee's Copy

# INSEL-HOTEL

EHEMALIGES DOMINIKANERKLOSTER

## KONSTANZ AM BODENSEE

TELEFON:  
(07531) 5214

TELEX:  
733276

TELEGRAMM:  
INSELHOTEL

A. STEIGENBERGER HOTELGESELLSCHAFT K.G.a.A.  
 FRANKFURT AM MAIN: Hotel Frankfurter Hof, Hotel Monopol-Metropole,  
 Flughafen-Restaurants, Henninger Turm Restaurants, Frankhof Kellerei  
 DÜSSELDORF: Park Hotel  
 DUISBURG: Hotel Duisburger Hof  
 MANNHEIM: Palasthotel Mannheimer Hof  
 STUTTGART: Hotel Graf Zeppelin  
 KONSTANZ: Insel-Hotel  
 BADEN-BADEN: Hotel Europäischer Hof, Badhotel Badischer Hof  
 BAD HOMBURG V. D. H.: Ritters Park Hotel  
 BAD KISSINGEN: Kurhaus-Hotel  
 BAD REICHENHALL: Grandhotel Axelmannstein, Kurhausbetriebe  
 ROM: Hotel Quirinale, Birreria „Bavaria“

Aft

MAIL & RECORDS

1966 JUL -5 AM 10:58

RECEIVED

June 30, 1966

Dr. Hans Speier  
 The RAND Corp.  
 1700 Main Street  
 Santa Monica, Cal.

RAND Santa Monica
PRESIDENT
VICE PRESIDENT
OPERATIONS MGR.
LIBRARIAN
COMMUNICATIONS
PROGRAM ANALYSIS
PROGRAM. DEVELOPMENT
PROGRAM. EVALUATION
PROGRAM. MGMT. ISA
SECRETARY
TREASURER
RESEARCH COORDINATOR
AIRCRAFT
COMPUTER SCIENCES
COST ANALYSIS
ECONOMICS
ELECTRONICS
LOGISTICS
MATHEMATICS
PHYSICS
PLANETARY SCIENCES
SOCIAL SCIENCE
SYSTEM OPERATIONS
LIBRARY
M.F.S.
PERSONNEL
REPORTS
SECURITY
TRAINING
FILE NO.

Dear Hans:

I thought you might be interested in some of the interviews I have been having in Germany. So I made carbon copies of the notes I transcribed, and I am sending them to you with this letter. The notes are rough and unedited. You must forgive the form. Some of the stuff you will probably find tedious; but there may be a few things of interest.

It's not an inspiring scene. A lot of wing flapping and no flying. All the political people want to go somewhere but cannot decide what it is. The mass does not seem to care greatly for the great goals and appears content enough with what it has or expects to get, in the way of goods and comforts. The government will probably do a lot more "lavieren", try a lot of things half-heartedly and avoid taking a clear line on anything.

After a few hot weeks in Paris and Bonn, I have run into cold weather and rain. I visited the churches on the Reichenau. Two of them are being refurbished and the third has been completed. Around them, things have mushroomed that are either out of style, or try awkwardly to be in style. I found the pictures in the books more attractive than the churches themselves in their present state and setting.

I hope you have been well. I'm heading for visits with Luchsinger and Kellermann.

With kind regards,

Sincerely,

  
 Horst Mendershausen

Absender ist Gast des Hotels

ANS. BY  
 LETTER NO.  
 DATE

6/14/66

Interim director of institute during sickness of Cornides; expects to continue for another 4 months. Continuing his journalistic work on half time.- Institute went through a financial crisis; composed recently. They now run two study groups: 1. Arms Control (ch'man Erler); and 2. (new) Germany and the East (DDR to China)(ch'man Birrenbach). About 30 in latter group. Groups meet 4-5 times a year, with a secretary preparing material for discussions (but not writing a book).

Institute planning a series of pamphlets, looking for authors to farm out to.

I open discussion, proposing that Fed.Rep. foreign policy(or broader, concept of self) has been located in a square, marked by the corners

- (1) Atlantic unity (milit., econ., etc.)
- (2) European union (Western Europe, econ., pol., etc.)
- (3) Federal Republic sovereignty (*"Vollständigkeit der B.R."*)
- (4) Re-unification (chiefly with Sov. Zone)

How has the point of gravity moved lately within the square?

W: Away from (2); in the direction of (3) to come closer to (4). Political union among the Six has lost attractiveness. For one thing, it's incompatible with reunif.: 77 millions would be too big for that group, although entry of the UK would be a possible compensation (for all those Germans). They discussed European unification and "the German question" in study group II and were unanimous that the 2 were incompatible.

Close connection between (1) and (4) in the CDU and SPD view. Reunif. only possible in alliance with a strong US. It is not so much the military security, as the "political support" America's that seems needed (where?). One may imagine a future time when the SU wants a "settlement" in Europe. To negotiate it advantageously requires "the entire West". France alone cannot do this.

W. says he is reporting, not arguing his own view. Preceding argument is basis for refusal to premature political concessions (frontiers, nuclear abstinence). This is the dominant view today. Compared with it, the idea of the united Western Europe has lost considerably. But this view has also grown weaker compared with the new idea of an approach, in stages, to the DDR. It is strong in SPD and FDP.

Also gained has the idea, that reunif. can gain from a ("pan")European combination. De Gaulle's Moscow trip will strengthen that. SU seen in the role of a European state. Even if the Russians "react little", the idea will gain that there may be something in this. Strauss, Guttenberg, and some of the press will say that de G. "does something" -- and "why treat him so badly?" (to Schroeder's address). But all this will fluctuate.

→ Str. + Gutt. aren't isolated. French-inclined position is strong in the CDU (2/3); in the cabinet it has a narrow but clear majority; Schroeder policy represents a minority, but one that includes Erhardt.

Does that inclination represent readiness to subordinate FedRep to France?  
W: Adenauer would say: Must follow Fr. lead; it's just a fact they are stronger than FedRep.. Schroeder would answer: "revolting" to become a vassal of France for reunification's sake. Strauss uses accents diff. from Adenauer's Acceptance of France opens long-range perspective of a unified W-Europe. (And in the short run he is for whatever Schroeder is against.)

JUL 5 - 1966

Postal Registry No. R114

Somewhat along Schroeder's line, v. Hassel refuses replacement of Atlantic by European orientation. In connection with the nonproliferation treaty imbroglio, v.H. does not mind an obstacle from that side to a European nuclear force. Lack of such a force, to him, helps to hold US in Europe. Therefore he supported British proposals that tended to exclude a European nucl. force.

De G's attack on larger-Europe and a reunif. prospect within sounds "more modern" than Washington's approach; fascinates therefore. (Reiz des Neuen; but what more?)

On corner (3) of the square: It is gaining although it is little wanted. The idea of the ultimate acceptance of the FedRep as the Germans' political home is nearly absent. But the apparently unsurmountable obstacles to reunif. (and other facts?) make it practically acceptable. "Bundesrepublikanische Eigenstaatlichkeit" gains from such ideas as: Germany must not get too strong to alarm its neighbors; DDR could be treated like another Austria; an appeased larger-Europe could be a suitable frame for a FedRep sovereignty (cites Jaspers as an offshoot).

Confederation idea comes from the left today; no longer has a basis in catholic thinking as in 19th century (Franz). And on the left, the extreme left, the intellectuals.

Corner (4). In the official policy, there is no substantial idea of reunif. Even the SPD leadership does not see a prospect. It wants to act "to increase the feeling of commonality (Zugehörigkeit)" of the 2 populations, so as to prevent the complete cultural separation. The intellectuals do go further, other intra-party opposition, and BDP groups. SPD leadership very wary of the SED regime. (they insisted that Br., Erlar, and Wehner travel in one car to Chemnitz; they feared that travelling alone, W might be kidnapped.)

Among the confederation-happy, there is an idea will not die that there are two groups in the SED leadership, Moscow vassals and "old" communists vs. "national communists". Schirdewan, Herrstadt, etc. are "assigned" that position. Today, however, one hears no names. "Such a thing should exist". say the Benders, etc.

For the SPD leaders, especially Wehner, the "Deutschland Plan" is dead. Bender believes in "appeasement" of the regime (to take its fears away), large credits, breakdown (removal) of the wall. "The entire establishment rejects that."

True, the SED leader speaks more of reunif. during the last year. Some believe, it's defensive (against the urgings from the population), some, aggressive (to cause conflict in the Fedd. Rep. a positive reaction to "Volksfront" in the SPD. But Dortmund congress showed that Wehner, etc. are holding such tendencies in check, opposing contacts on "lower level" (not, however, at the frontier, where some of the contact-happy sit: Wetzlar), at the trade-union level. Some trade-unions are receptive to SED initiatives: Metal, chemicals, paper(?); building workers strongly opposed. This current is not increasing. In Dortmund,

they were but a handful. Brandt spoke against "contacts at lower level" and was reelected chairman with something like 324 out of 326.

W. believes that the "dialogue" with the SED will soon be broken off; that there will be more "Zugehörigkeitsgefühl" on both sides, but that the fruitlessness of the contacts with regime will be apparent.

Did the initiative for the SED's acceptance of leader meetings (proposed by SPD in reply to the SED's usual message to the party congress) come from Moscow? W. thinks, not necessarily. Ulbricht may have watched Soviet turn to "Volksfront" efforts for European parties, and may have asked himself, what can we do about that? He may have been surprised by the SPD's practical proposal, may have found it difficult to reject it simply. (Meanwhile, 6/16, the SED may have found a way to turn the thing off, for July at least, by insisting on preparatory meetings in Bonn, instead of West Berlin. SPD reacted firmly.)

W. says, the SPD leadership was very adroit. The Party Congress forgot that the party had lost the fall elections, and never turned to recriminations. Instead of drawing the "lessons" of the lost election, the congress developed a sense of having gained the leadership of the FedRep, of "leading" the government. The initiative was Wehner's idea. Yesterday under fire in the party, he emerged as the man who pulled everything together and showed a way.

6/16/66 News.

Preparations for Chemnitz/Hanover have run into a snag over the locale of the 3rd preparatory meeting. SED took the occasion to stress separateness of W. Berlin from Fed. Rep.; but SPD took occasion to stress unity of SPD in Germany, incl. Berlin, "and its leader sits in German's capital, which is Berlin". This could be the end for now, but not for ever. Soviet voices are being cited that "September is also a nice month." Who will gain from time, and what?

On the other hand, the CDU does not show itself entirely helpless. Barzel, in New York, came out with new ideas (all-German commissions, some Soviet troops possible in a unifying Germany, 4 power activity, and (Western) three-power activity (a tri-partite working group). For the inter-party battle, that might not look so poor, if the SPD/SED meetings fail; on the other hand, it might not look so good as to drive the SPD to frenzy.

Wolfgang Wagner (cont'd)

Dinner and a very pleasant evening at his house. Excellent Baden wine. He opens substantive conversation, saying that he would like to discuss some ideas of his own: A dilemma: Should the FedRep. make itself "strong" for the time when transactions about a settlement and reunific. become possible; or should it make itself "weak"? By strong he means holding on to claims (representation, frontiers, weapons, etc. at least in the sense of preserving options); by weak he means appeasing "neighbors" by abandoning claims.

Q. To what extent are the claims real assets? E.g. avoidance of further commitments to nuclear abstinence? A. For the longer run, this may present a real possibility.

Q. Granted that FedRep. declarations abandoning claims against Poland and CSR may make it more awkward for regimes there to maintain hostility to FedRep, how can this improve prospects for reunific.? Probably little, but it might help with loosening the Sov. bloc and diminishing their support to or alignment with the DDR.

Q. What could appease the Soviets? Would they not fear a Germany of 77 million even under an Ulbricht? What could a Fed. chancellor say to diminish this aversion? Discussion turns to circumstances.

W. wonders whether the lack of prospects for reunific. makes it sensible for the FedRep. to continue "bearing the cost" of the claim to sole representation of the German people. The principal difficulty with abandoning it may be the problem that raises for the sense of identity of the political society of the FedRep and of Berlin. On the other hand, for the two German states to accept each other's representativeness of "parts of the German nation" (and the 4-power statute continuing to cover Berlin) might not exclude, even favor, pressure on the DDR. He thinks that is worth exploring.

Discuss what the FedRep can do to increase "resistance" to DDR regime by the Zone population. To some degree the regime may benefit from the efforts to ostracize it.

Q. Do you expect that the parameters of the German situation will change significantly in the next 5 years? A. No.

Q. What is the US political support that you feel the FedRep. needs?

A. Mainly the deterrent posture against SU.

Helmut Schmidt 6/16

Meet in his office in the Bundeshaus. He and his wife just returned from Israel, much impressed.

I ask him for a comment on the 4 elements of German policy. First reaction: they are all compatible.

Prerequisite for advance toward reunification is "the removal of fear" of the Germans in the East. NATO contained fear of Gy. in the West, to some degree even in the East. The main problem under the new circumstances is "to create security". To that effect the US/SU detente must progress. As it does, the "degree of freedom of the little fellows" increases.

He believes there exists an increasing community of interests US/SU, despite Vietnam. In America, the idea to withdraw troops from Europe spreads. The Soviets may reciprocate. The possible range of action of FedRep and DDR increases in this "cooperative bipolarity".

What are the possibilities of FedRep. initiatives? Diplomatic rapprochement

5

with Eastern Europe; German arms control proposals; "practical contacts with the DDR", hoping for greater travel possibilities.

Q. What prospects for Atlantic cooperation? A. Perhaps NATO will be dissolved. What will become of the Bundeswehr? We have an interest in the continuation of the alliance, but v.Hassel is too much of a "satellite" (of NATO, US ?).

Returning to the East, he asks for "normalization" of relations with the CSR, to diminish fear of Germans. Same with other small comm. states, but not with Ulbricht. Q. Does that touch on essential German interests, notably the Moscow/Pankow position and link? A. There is no other way.

Regarding West-European relations: Looking beyond deG., the anti-American tendency in French policy will remain, but the anti-EEC component will diminish (the ~~federal~~ idea in it??). Government and opposition welcome the Europe of the Six as an economically useful thing. But in Germany, especially the young generation) the disappointment in "Europe" is growing. (No examples). European enthusiasm once filled the national vacuum -- "not for me, I voted against the Treaty of Rome". The young people travel all over Europe, unorganized and organized; but one no longer expects a European parliament. The Monnet/Hallstein belief in the automatic growth of a European federal state on the EEC basis is "nonsense". Germany too should treat this enterprise as something good for economic gain.

Franco-German reconciliation developed out of the acceptance of Germany in the European consolidation process, R. Schumann, etc. But the Franco-German treaty is "only a hindrance". France is no lever for Germany, and deG's Europe from Atlantic to Urals no help.

Q. Do you believe that deG. seeks some kind of equal distance to US and SU? A. "Europe" could have such a position, but France alone hardly. It overestimates its possibilities. DeG. really counts on America's own interest in the integrity of W. Europe. This is realistic for now; but he asks, will this be true in the 1970's? American public opinion could make a turn-about ("umschlagen") -- presumably become "neutral" toward W. Europe. "A factor of insecurity".

Q. Is the development of the FedRep. into a more complete state unwanted? A. He sees such a component in Schroeder, thought it a novel thing that Barzel in NY talked openly of "provisionalism". The CDU really focuses on "Eigenstaatlichkeit" in his view. Vis a vis the Europe of the 6, he himself is for maintenance of the FedReps separate identity ("in contrast to some of my party friends"). Also in contrast to Adenauer, who hoped for a military integration in Europe. That did not work. France and Holland look at the Europe of the 6 as a guarantee against German reunification. He prefers FedRep. provisionalism vis a vis reunification, and "Eigenstaatlichkeit" vis a vis the West.

With the decay of NATO (meaning perhaps continuing US/SU detente again), a more active FedRep. foreign policy becomes possible. He cites Brzezinsky: rapprochement toward East. Europe plus



6

ostracism of the DDR. Encourage pressure of Zone population on regi me through political debate. Good thing that the discussions about the SPD/SED tournament made it legal again in the DDR to talk about the SPD and all-German affairs. People continue to ask, why can't we travel?

FedRep cannot see DDR as potentially another Austria. It is too close politically, one nation (relatives, refugees). That's different with Austria, he thinks. He also thinks that West German initiatives toward Czechs, greater contacts, threaten the SED regime ~~witkxixk~~, force it liberalize travel ban. ND attacked fiercely a talk he gave (in Prague?) proposing better FedRep/Czech relations.

Alfons Dalma, Munich. Gave up Münchener Merkur to head Inst. f. Wehrkunde and to be assistant publisher (active director) of Bayern Kurier, F.J. Strauss's organ. Met first at his office, very pleasantly, and continued conversation at dinner, with M. ~~Franceschini~~ Franceschini of Le Monde present. 6/27/66

D. had just written an editorial for the B.K. ("Die Deutsche Politik auf der Zuschauergalerie", signed SYRUS, 6/25) in which he complained that Bonn was wallowing in useless efforts to bring movement into the German question, while maintaining "die unbegreiflich spröde Behandlung Frankreichs von seiten des Auswärtigen Amtes". DeG. meanwhile had ~~much~~ made such a fine gesture in the form of his ~~unprotokollarisches und inhaltsreiches Telegramm an~~ "ungewöhnlich unprotokollarisches und inhaltsreiches Telegramm an den Bundespräsidenten"-- while flying over Germany on his way to Moscow-- in which he greeted "das deutsche Volk, für das es in einem Europa, das seine Berufung als Faktor des Gleichgewichts und des Friedens in der Welt wiedererlangt haben würde, einen festen Platz gibt. Ungracious Bonn did not lay its fate in the hands of the man who is sleeping "als erster französischer Staatspräsident nach Napoleon in Kreml's Gemüchern" (and thus presumably is responsible for the latter's bringing back so little of interest to Germany from Moscow). Instead Bonn clings to the unhelpful American ally, who is "diminishing its risks in Europe", answers German faithfulness to NATO with "a more restrictive NATO policy" and talks (Pres. Johnson to an Austrian delegation" about a "quasi-Austrian solution for Germany, even for Europe". The "special Franco-German relationship should be activated."-- The conversation elaborated on these ideas.

Starting from my four elements of German policy, D. said that at first I, II, and III advanced quite nicely, pari passu, but that since Dulles's departure, things turned for the worse. On the military plane, MacN. began to "diminish the American risk in Europe". Johnson aimed to keep things quiet in Europe to have a free hand in Vietnam. Thus former basis for US/German agreement was reduced. America's nuclear guarantee is "no longer as clear as it used to be". (I recall Eisenhower's comment on the unthinkability of nuclear war during Krushchev's Berlin crisis, and suggest that Kennedy/MacN. concern was with a more effective deterrent posture, instead of nuclear bluster.)

D. continues that Germany is exposed now to American pressures to pay more for troops and to "make concessions". At the same time, there is "increasing consciousness that close ties to America threaten the future prosperity of Germany" through the extraction of research talent from Europe. "Die Techniker wandern nach Detroit."

7

In the military security field, the European combinations were not rewarding in the past. But then came deG. This opened a prospect for Germany to "autonomize" deterrence. Germany should look toward a "new NATO system", with a Franco-German nuclear basis; and for a kind of economic concentration in Europe that could make it possible "to face America".

The key to that lies in Washington (!). The US has "fought" intimate Bonn-Paris relations, and its Bonn ~~stall~~ satellites have obediently opposed their development (not for German reasons, in his book). As a poor reward, Washington presses Bonn to pay for undesired military hardware.

DeGaulle, he pretends, once wanted a European "nuclear community"; but rebuffed by Bonn he "withdrew" to a national force de frappe (affection unrequited).

In sum, Bonn's position vis a vis Wash. and Paris has deteriorated; it suffers helplessly from the NATO crisis (which is a crisis over the (nuclear) construction of NATO, not over deG's secession), and it maintains a mere façade of friendship to France. Of course, a weak chancellor, who always finds everything ok.

French troops staying on in Germany offers "the last link for combined military planning in peacetime". He says that the French see in their troops there a "hinge" for a combined defense planning. Doesn't elaborate of what that "planning" might mean, and the "combination".

Q. What is possible between the FedRep. and France? A. We must overcome the French disappointment in Germany's NATO policy, and look for combined Franco-German R&D and defense production projects. German industrial firms look for partners in projects in electronics, aviation and space activities. America does not need the German talent; but the Europeans do.

Q. Do you want to exchange the junior partnership with the US for a junior partnership with France? Europeans have sought, and American policy has stimulated the development of European combinations on a non-hegemonial basis. Isn't the trouble that France rejects these? A. The talk about French hegemonial striving is demagogy. I also was for NATO and a Monnet Europe up to the 1960's. But the Atlantic community ("die nicht wegzudenken ist") needs a new structure, and Europe needs a new structure, both structures adequate to France's newly found power. Why does not American opinion draw consequences from the fact that the Monnet approach did not create a political-military superstructure (and presumably that that structure has to evolve under de G's rule). DeG. "can spoil all but create little" by himself. (Germany's role, it appears, is to help him create...)

The US needs a new European concept and should make up for time lost. "It should give the Europeans a nuclear strike force." And thus for their political union. US should "dismiss Britain into Europe" and Bonn into a Franco-German combination. They both hold back because US won't let them move!

Q. And would British and German readiness for a nuclear-political European union on an equal-rights basis induce the French to accept it? He seems to think it might, or should. DeG's political/nuclear nationalism is only France's second best choice, in his picture.

--- At dinner, the discussion continues in the presence of Franceschini, who heads the German-Austrian-Swiss-Italian-Benelux desk on the editorial staff of Le Monde, under A. Fontaine. F. wants to hear from

8

Dalma about German gaullism. He was brought in by a Munich representative of Internaciones. D. said he welcomed giving the conversation an Atlantic scope by having a representative of RAND present. I asked him whether he would mind if I debated with him some of the points he made, and he said, on the contrary. I held back on a number of occasions so as not to disturb the interview. Interview and debate proceeded smoothly enough, and I think the three of us enjoyed it. Where things got a little rough for D. he handled himself with charm and good humor. (My questions continue to be marked:Q.)

D. began by explaining to F. that German gaullism was the modern form of German European-unionism; it was not nationalistic, in contrast to present-day German Atlanticists who were true German nationalists. Geographic proximity (and other things?) give him confidence that there exists "a real identity of interests" between the FedRep and France, and that the "consultative system" between the two can be made to work. Only Bonn is not ready to play ball. "If deG. had taken with him to Moscow a letter from the federal chancellor endorsing the French position, what might he have gotten from the Soviets!" Q. What? A. More notice of German wishes. (I refrained from asking what that letter should have contained besides the things that Erhard did put in a "hand-written" letter to the great Charles, before his takeoff.)

Q. Could you imagine that if Strauss represented the FedRep. in Franco-German consultations, the differences with deG. would be sharper? A. (with a smile): Yes, I could; but being more clearly defined, the differences could be composed more easily. (Presumably because of the necessary identity of interests!)

Q. Would composing of differences not mean following the French lead? A. Why not! France has the greater freedom of movement and the greater leader (greater than Strauss?). And interests are substantially identical.

Turning to US. D. develops his idea of the gradual curtailment of the American risk (meaning readiness to honor guarantee by limiting the guarantee, or something). Q. Are Europeans willing to take any of the risks that you believe the United States is no longer willing to take, or has become unwilling to take in the Kennedy-Johnson years? A. This is a terribly leading question. (To F:) Those people at the RAND Corp. have thought all these things through. He relates how he visited RAND together with Strauss some years ago and how he had to leave the room when technical-military matters came up for discussion, Strauss staying alone.

Q. Wasn't the transition from Eisenhower to Kennedy marked by the recognition that engagements previously taken or implied by the US and the Europeans required the development of both the nuclear deterrent and conventional forces; that without such development, the engagements were unrealistic and might, at the moment of truth, be found to be "unthinkable"? A. D. focuses on MRBM's in European and declaratory policy. In his outlook, the curtailment of American risk (protection) began not with the development of a military establishment incapable of dealing with crises, but with MacNamara's Ann Arbor speech "at the end of the Berlin crisis, in the summer of 1962". (For him the B. crisis did not end in the Cuba confrontation.)

Q. Would you expect the French force de frappe to strike the SU in a situation about Berlin in which SAC would not strike? A. bypasses the question with a compliment to RAND's crisis studies; but he concedes that defense planning against the Soviets, and deterrence thinking, should relate to concrete conflict points, notably Berlin. (That is interesting.)

Fr. then asks, doesn't the FedRep. require national nuclear weapons to be really sure of nuclear protection of its interests? A. It might, but it's hard to conceive of a German government that would take the political

9

risk of acquiring them. (He does not refer back at this point to the identity of G. and French interests that would make the going alone unnecessary for G.)

Fr. asks, is the German drive for reunification substantial now?

A. It's a "Rummel" now, but it will become substantial because of disappointments with the West. To become substantial it would take on the form of "accepting communism", (i.e. it is presumed to come from the left?) Prosperity would have to falter, too, or the prosperity of the DDR come to equal that of the RedRep.(?)

Fr. says he interviewed Schroeder in Bonn and found him courteous, not hostile to France. D. replies, S. has been chastized in the CDU/CSU, and also taken aback by the experience in Brussels, where he found Rusk and Couve agree behind his back, and himself holding the lance for America, alone.

Fr. to D.: You talk as if the defense/nuclear issue were central in your thinking about German foreign policy. D. remarks that that just happened to be the aspect our talk got into.

Some speculation about what a development of WEU into a military mechanism might do to US attitudes, whether US might think "the Europeans no longer need us." I observe that US entry into NAT was strongly linked to the sense that Brussels pact provided for no effective defense, and that a sense of alliance developed only after the dispatch of Gen'l. Eisenhower to become the first SACEUR, and of the 4 divisions in 1951. That raises the question of whether the process might work in reverse as NATO is stripped, WEU revived, US troops diminished.

At the end, Fr. talked about the "handicraft" methods of Le Monde (editorial staff of 20, cooption, camaraderie under the strong hand of Beuve-Mery). He says, at Le Monde we speak about "Le Monde and the press". A general consensus about interpretative reporting. Fontaine still counts as "Atlanticist".

D. asked me to write something for Wehrkunde. (I thought afterwards about: Is the Atlantic Pact an Alliance?)

Institut Wissenschaft & Politik, Ebenhausen nr. Munich, 6/27

Had simple lunch and spent afternoon with Ritter, Nerlich, Roth, Schwarz, and a fifth man (name ). Pleasant reception. Institute works for for. and def. ministries and chancellor's office. Board of directors also includes university people and representatives of the three parties. The staff occupying the former hunting lodge (then clinic) numbers 13 regulars now, plus 37 librarians, assistants, drivers, secretaries. It includes an atomic scientist, but all the others seem to be on the "social science" side.

At lunch, many questions about RAND. Does RAND still focus on offensive weapons (Nerlich), leaving work on defensive weapons to SRI? Who is taking the place of the people who are leaving? How will change in presidency affect orientation? R. suggests it would be desirable to develop some kind of collaboration, perhaps via inquiries by letter, besides visits.

W.&P. is the only political studies group with access to German classified material. R. describes relations to his 3 masters as not free from problems, but satisfactory so far. Institute was

just being visited by accountants from some governmental office. R. was called out 3 times for lengthy confabs with them, which interrupted his participation in the discussions.

I start with some observations on the link between NATO and the German question and lead over to problem of German for. policy orientation in the present setting. I observe that I found a considerable flux of ideas but also continuing stability in the political system of the FedRep, and suggest that prosperity may stand in the way of development of clearer and sharper policies. R. stresses the external constraints as the main factor preventing policy crystallization.

We talk about the effects of Atlantic, European and reunific. frustrations. I ask whether they tend to ~~emphasize~~ lend greater weight to the ~~main~~ tendencies to complete the development of the FedRep into a distinct, sovereign state. This creates some stir: What do I mean? Do I favor such a tendency? Who does? and some comment about the impossibility of the FedRep. as a "Nationalstaat". Group accepts, however, that there has been a good deal of such development, sometimes *faute de mieux*, and that there may be more, unheralded and just happening. But they stress that there would be no contentment with this kind of evolution, if it remained the main direction or the only one in which things are happening.

R. emphasizes that frustration of Western and reunific. ambitions will produce chaos, some kind of a dark turbulence. He does not describe this further. (What it means to me is first of all a deep split between the consciousness of Germany's place in the world and ~~its~~ the real place of the FedRep. R's chaos is a term for a deepened split. The political minds in the FedRep feel compelled to search for a national and regional mission.)

R. poses 2 questions: (1) Will US/SU detente develop further? (2) Will progressive detente permit "a looser alliance" ( he says "looseres Bündnis" and corrects me when I refer to it as "aufgelockertes Bündnis". Wonder why?), and a "favorable dynamism" in Europe? If the answer to the last part of qu. 2 is negative, that "would be bad news for us".

Q. Isn't there about as much US/SU detente now as can be expected? R. answers, it can develop; and the special problem is whether it will develop "over the heads of the Germans", meaning presumably that their situation remains static. (Note that some think that detente cannot help but put some flux into German situation: various SPD currents).

Q. What would be a "favorable dynamism"? Re-unification by 4-power fiat? R. answers surprisingly modestly: freer traffic over frontiers.

Q. Would you expect favorable political changes in the DDR? R. rejects "Wandel durch Annäherung". Soviet policy is fixed he says; it will admit rapprochement only for the better pursuit of political aggression. No autonomous change in DDR possible, Apels and Havemanns notwithstanding. The regime can only change when Soviet policy on Germany changes!

Q. What is the meaning of a "loosened alliance"? R. rejects idea of more individual defense responsibility, German general staff, focuses instead on somewhat reduced reliance on US. Nerlich and Schwarz ~~have~~ suggest the development of an alternative defense system out of WEU, and think of it as (a) a European compact with (b) a "lower nuclear threshold" (in words, deeds, what kind of deeds?)

R. talks of "restructuring the loosened alliance". I cause confusion by suggesting that what he may want to restructure is something broader than "alliance" and propose that that might be called "Germany's special relationship with the West" (which has been put in question by the US French disagreements, etc.) R. reacts to my surprise by stating emphatically that FedRep. could not possibly adopt a Rapallo policy. "out of the question!"

//

One asks what is the US concept for the future of the alliance? I say that is difficult to answer beyond the point that the United States wishes to be a party to a European security and German settlement, does not want to exclude itself or be excluded from it. They ask, does not US have specific ~~European~~ objectives in Europe. I say one can discern the objective of preventing a Soviet-ruled Europe and ~~the~~ a feuding Europe, that beyond that, little is clear, notably in the direction of an antagonistic coalition of European states.

Nerlich: Would US agree to a lowering of the nuclear threshold? I reply I see no return to a "massive retaliation doctrine".

N: To put it better, less constraints on the application of defensive nukes? I answer, this still is an open chapter for NATO.

N: How would US react if de G's concept of defense gained adherents in Europe? In reply I ask what the framework of gaullist defense arrangements in Europe might be.

N. and Schwarz suggest, WEU. I say that for WEU to go back on its delegation of military tasks to NATO and to assume a role of its own might have a more explosive effect on the US relationship to European defense than deG's secession. It might lead to a substantial military disinvestment in Europe by the US. I refer to the historical link, in the US mind, between being allied with Europe and the US role in the formation and command of integrated forces.

After Nerlich refers to the gaullist idea of the danger of European countries being drawn into a conflict that the US entered on its own, I suggest that the At. Alliance has shown a great deal of immunity to contagion of this kind where one of the allies got involved in a conflict outside Europe. They agreed.

Q. Is a conflict imaginable in which W. Europe would refuse being drawn into a US/SU quarrel. A. That seems extravagant indeed.

(Thinking of the group appears to be going in the general direction of Strauss's ideas: a European defense community on the basis of "equal rights" for Germany. They appear to hope that the US will back up such a thing.)

Creel, Consul Gen'l. Munich

About Strauss: He aims to achieve equality for the FedRep with France and Britain in a European defense setup. In a conversation with C. he "conceded" it was a utopian idea (but that's a utopia he continues to favor).

S.'s last visit to US was an unhappy one. The German press people in Wash. gave him a hard time; and while he had a pleasant talk with Rusk, he could not get to the President.

On bilateral US/German relations: they are excellent. Johnson is "more pro-German than Kennedy was"; and the mayors in American garrison towns are pleased with the US troops, only wished commanders did not change so often (old complaints). Bamberg mayor just told him, relations with the troops are "excellent". Germans like stable forces, with dependents; they would not like rotating bachelor forces as well.

C's own view: "There must be a settlement... The harsh line dividing Europe must be dissolved... Perhaps the automobiles that FIAT and Renault will build for the Soviets will 'make the shrimps whistle'... Soviet embourgeoisement may bring Soviet imperialism to an end."

Comments on some econ. development in Bavaria, work on the remaining gap in the Rhine-M-Danube canal (Nurnberg-Regensburg) and 3 new oil pipelines, from Trieste, Genoa and Marseille that lead or branch off into B.

Dr. Eberhard Schulz, Gesellsch. f. Ausw. Politik, Secretary of Study Group II, concerned with Germany and the East. ("Somewhat more on the left, Wagner says.) Doing some work of his own on the foreign policy of Gomulka, and Problems of German Ostpolitik.

S. opens conversation by asking whether FedRep. can continue its traditional policy vs. the East. The "Rechtsposition" has become less favorable, he says, meaning apparently that Germany has become more effectively divided (since '61?), and DDR more of a viable state.

But is re-establishment of a German national state a worthwhile goal, he wonders. Such a state has existed for less than 100 years. All neighbors take offense. Their opposition so strong that re-unif. is doubtful, for indefinite future. Perhaps in a more cohesive (less divided) larger Europe? Could EEC be a nucleus? (But for that, the reunified Germany would be too big (see Wagner). Perhaps with EFTA countries and Eastern Europe "in" a combination of sorts? That, it seems to me, looks to him like the least hostile environment -- but how to get it?

The German national state, he says, has continued to shrink: Bismarck Reich to Weimar Republic to FedRep + Zone. The frontiers of 1937, so much opposed after Versailles, now appear as the "ideal".

Do the Germans really need a single state. One can live with a separate Austria. Its is acceptable, because the Austrians "live in freedom". Same with Luxemburg. Although they belong together from a "völkisch" point of view. Why not live with a "free DDR", in free communication?

ISN't the national state passé, anyway. It cannot defend itself. Some "Gemeinschaft" of nations could be an alternative.

Therefore, looking toward the DDR, the FedRep's sufficient goal might be to do what it takes to "ease the life of the people there." I suggest, it would be important to study what that means, and what relation can be assumed to exist between anything the FedRep can do and such "Erleichterungen". Have you considered the opposite course: separation in two complete states, no responsibility for the others? Even a counter-wall?

He replies, the latter would be in conflict with Grundgesetz, would even require a dictatorship in the West.

I suggest that the goal of "easing the lives of others" is somewhat ethereal unless it is attached to the goal of reunification, construction of a political unity, or some other more vital foreign policy goal (meeting an adversary); and that it raises the problem of making life more "difficult" for oneself, especially politically, in dealing with a communist neighbor. - S. refers to the West Germans bad conscience vis a vis their cousins in the Zone (for what?) and acknowledges the continued vitality of a "Nationalgedanke" encompassing FRG and DDR.

(Conversation continued on 6/16)

S. speak of strengthened DDR-consciousness. People there have resigned themselves. Youth lives in that framework.

I ask, whether failure of Eastern integration of DDR does not represent

a parallel to FedRep's disappointment in Western integration.

Yes, he thinks there is also a shock there; but economic integration has advanced and made the DDR so important to the Soviets, and Eastern Europeans, that people feel reassured by that ("aufgewertet"). This counterbalances some sense of being exploited, the more easily since living conditions in the DDR have improved greatly. (Note, that happened without "Erleichterungen" provided by the FRG!)

Reunific. in a national state is unlikely, he says, but a confederation is more likely. I ask about the consequences for the political structure in the West. He says some things are "not negotiable" for the Fed.Rep: the system of political freedom, the refusal to become a communist state, the refusal to join an Eastern power bloc.

I question whether movements in such directions might not be the undesired byproducts of an unprincipled dash for contacts, recognition and "confederation". S. answers that he believes Ulbricht to be disappointed over the prospects for a German communism, (in the short run:) over Dortmund, ie. the solidity of the SPD; over the susceptibility of his own population to SPD arguments and anti-regime implications in the contact business. Thus, if one wants to hope for "irgendwelche Fortschritte" in the German question, why not try to draw him closer?

"There is no communist danger in W-Germany." S. believes Ulbricht may be a victim of his own propaganda. Confederation, he thinks would not enable the communists of the DDR to gain much influence in the internal affairs of the FedRep; because, in his view, confederation will be too loose for that, too peripheral.

Anyway, the SED in his view "no longer is a cadre party". It is "also pluralistic, similar to CDU and SPD"(!). The FedRep will not depart from its pluralism. The challenge of the SED is diminished by its unpopularity. It is "hated", not able to stand up to coalition with democratic parties (under free conditions?).

S. thinks that "Geistesfreiheit" in the DDR has increased. Qu. Is it comparable to that in Poland? He concedes, no. As he talks on, S. appears increasingly more optimistic that in a confederation exercise, communism would be the loser.



14

Stefan Thomas, Ostbüro der SPD 6/15/66

I ask about his evaluation of conditions in the Zone.

SED leadership has become more self-confident. One is proud of economic advances. The economic system is "improved". While continuing loyal to the Soviet leadership, the SED shows more stamina in dealing with them. One is no longer a "satellite".

Nonetheless the unfavorable trade treaty was swallowed, and maximal economic integration in the Soviet economic process is accepted. Prices are unfavorable; and arrears have to be made good in Soviet trade.

The Soviets have adopted a "Volksfront" approach to W. Europe; and the SED sees a requirement ("Soll") for itself in that framework. The SPD/SED "dialogue" is the way.

In the FedRep., a national groundswell is visible. "National consciousness" is developing (all-German, or West-German?). One feels all-German, not FedRep. national. One thinks widely of a "failure of the Federal gov't", a lack of initiative by Erhard in all-German questions. In a student meeting he attended, a CDU student explaining why it was hard for FedRep. to set all-German affairs in motion, found no response. The SPD's Dortmund outlook, on the other hand, finds much resonance. "Twenty years of stagnation!"

Qu. What does Ulbricht seek from the "dialogue", etc.?  
He will push into the FedRep. ("hineinstossen") His euphoria about state of the DDR supports that. He believes himself tactically superior to the people that face him, the uncoordinated Western body politic. T. thinks the Dortmund party congress "pleased the Russians" (see Bahr, below).

Qu. What does SPD seek? A. "humanization". He believes in SED "Vorleistungen" after the consummation of Chemnitz/Hannover, more frontier crossing points, etc. "A dramatic chapter of the German development is opening."

There are also SED apprehensions about "what may happen when Brandt etc. come to Chemnitz". Own population so responsive.

Qu. Was not Apel's suicide a blow to the "new technocrats" that are supposed to form the coming elite of the DDR? Yes, he thinks, they were upset by his suicide.

I point to the diverse expectations re advantage from the SED/SPD dialogue; and ask for an evaluation of the risks to the SPD. In reply he talks of the hopes of the SPD: first improvements in the frontier (wall) traffic. What second? The next main advance, he asserts, depends on the formation of a "national government", i.e. SPD/CDU. Only that can coordinate the complicated process. That was the meaning of Brandt's proposal for a "German Council" (which was rejected by the CDU). Further: SPD will demand free communications, newspapers, free travel (the latter holds appeal on the other side.)

Qu. How does Ulbricht look at confederation?  
That must be derived from "the lessons of October" (1917). They teach that the self-confident, tightly organized minority gains power through "double government". One governmental center overpowers the other. For German purposes, the 2 centers are Bonn and East Berlin. Th. says, here lies the risk; but "there is no other way to reunific." To cope with risk, a concentration of political power in the FedRep. is needed, the national government, and the reduction of the party play over the issues.

Qu. Would this not presuppose that the FedRep. parties find it possible,

or necessary to focus all politics on reunification? National governments are ordinarily in formed in wartime.

Yes, it would have to become the "all-overshadowing question". This causes great uneasiness in the CDU. T. feels the CDU cannot suppress or stand aside from the process (of focusing). (Does it exist now, I wonder, despite all the noise?)

Qu. And if all goes well, what then?  
Frontiers (FRG+DDR) will be accepted, nuclear weapons forsworn, confederation made.

Th. seemed quite in the grip of his images, although things weren't going smoothly with the preparations for Chemnitz, and Barzel in NY had just launched his own offensive on the German question, single-handedly and disconcertingly to some leaders, but not stupidly.

Thomas will now finally relinquish the leadership of the Ostbüro. He is slated to become the director of the Friedrich-Ebert Stiftung on July 1. His presumptive heir (FAZ, 6/18) is his former assistant Helmut Bärwald.

He talked about stopping the OB's monthly reports on SU, Poland, DDR. I said, if he stopped the latter, I would not believe that he believed in the perspectives that he had drawn. If he ~~had~~ did, how could one diminish the observation of internal DDR developments at such a time?

Egon Bahr, Berlin

6/18/66

Conversation begins in low key. He knew of my interest in the link between the Atlantic Alliance and the German question and began by reviewing some of the "history as he remembered it." He was for the FedRep's entry into NATO, but feared then integration westward would be "excessive" and "irreversible" and thus come into conflict with "the national interest in reunif."

These fears seem to have abated, and N. looks to him like possibly a good thing to have around. It does not hold the Soviet danger in check, US nuclear arms do. This is the basis for deG.'s wrecking operation. NATO, which was to encompass something political, cultural, as well as economic, now becomes "purely military", a mere "instrument of utility" (whatever that may mean).

What is the situation now?

- (1) Mil. integration is in question.
- (2) "Cooperation" in Atlantic frame continues, but it is a contradictory, constrained relationship, like the EEC.
- (3) National consciousness increases -- a reaction on illusions about losing the national unit in the broader thing. DeG. only helps that along. German national goal, reunific. moved into the center of scene.

Now things got more interesting: The future of German democracy depends, he says, on whether it can realize the national goal. If it cannot, the danger will come from the Right. I ask whether opportunities for radical Right are not far more restricted in FedRep. than in Weimar, internally and externally. He says, it would probably take mass unemployment, but also, that FedRep. gov't is so weak, it could provide openings. I observe that pol. structure of Fed.Rep appears much stronger than that of Weimar, loyal opposition.

I ask whether integration and reunif. disappointments do not signify that actual developments realize chiefly a more complete FedRep statehood, and will continue to do so. He reflects, and says, yes, that seems the likely thing; but it's "dangerous" because the disappointments can generate a strong NDP. To articulate idea would bring a shock.

Somewhat less likely, he thinks, ~~he~~ is that FedRep and DDR move toward each other, develop contacts, "normal relations".

Qu. Does that not also signify accomodation to FedRep individuality. His hopes obviously are that it will do the opposite, emphasize the urge for unification.

"Amazing how much much things have changed in the last 3 months!" The possibility of the SPD/SED meetings has "electrified" the people; but "who knows whether it will come off?" Taboos have been swept away; nobody considers it impossible anymore to talk with those in power in DDR. If the meetings came off, "something extraordinary would happen: SED leaders and SPD leaders would speak from the same rostrum." "Unity sentiment would be galvanized."

I wonder whether the getting together would not stress the separateness and difference, unless the SPD simply capitulated.

He says Spinelli and Guttenberg had an interesting exchange on Europe and the German Question, S. asking what the Germans really wanted, and G. coming out for reunific. (?) (Europa und die deutsche Frage, Bericht, 3-5 Nov. 1965, publ. by Europa Haus Berlin, mimeo.)

Who stopped the preparations for the meetings? The Russians; they "feared upsetting the status quo." Ulbricht was not the stopper. He "wanted to get out of the trenches." There was a great debate in the SED; fears expressed by party bosses (Magdeburg) that meetings would revive "Sozialdemokratismus" in the Zone. That led to delays, and preparation through agitation. But at Dortmund, an observer sent by Stoph, told him: "It will work. We'll meet again in Karl Marx Stadt."

After Dortmund, Brandt met with Abrasimov, and found him cool on the meetings. Qu. Just for now? A: At least for now.

(The picture drawn by diff. people of SU/DDR interactions on the deal is contradictory; but the stories may not be mutually exclusive insofar as there may have been change in time. Some say that Soviet "pressure" brought U. around (D. Rousset, Figaro), some that general Soviet views were interpreted by U. as favorable to an initiative that he was ready to make, some that U. wanted to meet, but Soviets were cool (Grosser, Bahr). The true story would probably run in terms of moves in time.)

B. thinks that in 1/2 year, U. could be greatly embarrassed by an SPD move under the slogan "Deutsche an einen Tisch!" Could create "great confusion" in DDR.

Qu. Don't you envisage that sooner or later, the FedRep and the DDR would pull on one side of the rope, with S<sup>U</sup> and Western powers on the other? What a reversal that implies! A: Yes! But US and SU must get together ~~for that~~ to guarantee the peacefulness of the unifying Germany. (~~Again, what a reversal of a position that may mean to both that the present state of Germany is the most "peaceful" attainable.~~)

Bahr, cont'd. 6/21

We met a second time. I wanted to get his expectations for the "Redneraustausch", his ideas about the expectations of the communists, and general views. Meanwhile (6/30) the SED has called off the meetings in Hannover and Chemnitz. See below.

To B., the hoped for meetings are "great events in themselves". All of Germany will be listening to the same radio program, "the first all-German experience". For the first time, a western document was reprinted entirely in the Neues Deutschland. In Chemnitz, Ulbricht will speak, then Stoph and Norden or Ebert; but U. and S. won't come to Hannover. 20-minute talks.

The confrontation will show "divergences in large questions." But the decisive point: Is there something one can do together? If so, one will continue talking. Otherwise, "it will remain homeric."

Communism will become a matter for discussion in West-Germany. For that one will need legal communists in West Germany. Illusions will be challenged: the FedRep's claim to sole representation, the frontiers of 1937, even the 4-power responsibility for Germany's reunification. The West-Germans will be disillusioned about the perishability of the DDR. "They laugh in Karl-Marx Stadt when someone calls their town Chemnitz." Add one will have to talk more truthfully about West Germany in the DDR.!!

Q. Will SPD orators demand the dismantling of the wall?  
A. No.-- Will they demand the legalization of the SPD in the DDR?  
A. No. But "perhaps one of us will say, we have returned!"  
Q. Do you expect to influence the political development in the DDR in some fashion? A. The consolidation of the DDR has advanced. It will continue with or without the tournament. There may be slow changes. Meanwhile we must "preserve the national substance," keep Ulbricht from isolating the population from Western ideas (as if he could do that now!) Only 10 to 15 years remain for the consummation of reunification.

Q. What do you think the SED leaders expect from the tournament?  
A. He "was compelled to do it." The SED becomes an "accepted partner for conversations." They may also hope to separate the SPD from the CDU (at last a realistic thought), but he adds that's meaningless for "the SPD is immune to communism".

Q. Does Ulbricht expect to achieve a sort of remote control of Federal Republic politics. A. That's exaggerated.

(Bahr failed entirely in appreciating Ulbricht's objectives that became apparent in the further conduct of the preliminaries and the final rejection of the July meetings, i.e. to turn the SPD into his agent in the Federal Republic, to diminish the autonomy of the latter while increasing that of the DDR. If the SPD does not function well in this role, he can hope, in the present state of FedRep politics, to get some of the political benefits anyway without risking the tournament.)

B. seemed uncomfortable in developing his fantastic scenario. He remarked to Harold H. later in the day that the conversation had been "hard going". At the end, he launched into a profession

18

of his belief that the technocrats are going to rule the world. It began with a story about the manager of the new DDR oil refinery at Schwedt, brought back by some Western journalist who visited him. The manager talked about the uneconomic policies of the DDR government and described how he brought the bureaucrats to reason by letting things come to an impasse. When confronted with the prospect of the plant closing down, the government would give in. The man said, "die Zahl entscheidet." The journalist observed, "that's a funny way of talking about your government." Said the manager, "they'll learn; our way of thinking grows like the rings around a tree. Some day, we'll be in power, and then we'll understand each other and do business"(with the West).

So B. seems to think the DDR will "transform" itself; and the FedRep should assist the transformation by what amounts to economic development assistance and political self-effacement.

He asks whether Mr. MacNamara will some day run for President.

Klaus Ellrodt 6/21

A young journalist who writes for Zeit, Spiegel. SPD-Pressdienst. Often in East Berlin and travelling in the Zone. Smooth, easy talking. Marxist. I ask him to describe the famous "economic pragmatists" in the Zone.

They want to disentangle their tasks from politics; make their way up in the socialist state. They criticize its practices, especially the tendency to administer everything.

There are up to 96 directors general of VVB. Most of them former workers, with service in the SED. Were delegated to studies. Now 35 to 45 years old.

The second-line managers, about same age range, rose by professional competence alone. Less dependent on party, have to be "persuaded" all the time.

Both types believe in a kind of "weltoffenen Kommunismus". The top men have contacts in the West, envy their Western counterparts but also have privileges exceeding theirs. German reunification "means nothing to these people"; but some kind of "confederation that would open the doors to the West" would be good. One of their complaints is the transfer of enterprise profits to the state, their investment in armaments and wastage on uneconomic things.

These people liked the talkfest idea, expected from them better contacts with the West, access to supplies. (He believes that SED advised West German industrialists to back the SPD efforts.) Also think that the affair will distract the party bosses so that they will leave the managers alone for a while.

Managers would like to get easier access to Western publications. Even ministers get western newspapers only to look at in offices, have to lock them up in safes overnight. ADN has two services of excerpts, the "red service", accessible to those who do "Westarbeit", and the ampler "green service" for people selected by Politbureau, agitators.

Absence of reunific. prospects is accepted, because "the great powers oppose it". But contacts are sought. E. blames the Allied Travel Board for obstructing travel, as does the SED. The economic officials travel, but the scientists have a hard time getting out. The French often

break the travel board rules when they want to talk to somebody. Sweden issues all-Scandinavian visas to DDR citizens getting over, thus making entry into Norway and Denmark possible without Travel Board approval. Party sends those it wants to go this way; others it sends to the Travel Board to get refusals.

Q. What do the managers think of the "socialist camp"?

A. There, they are petty-bourgeois nationalists! They approve of the Rumanian stubbornness in shaping their own industrialization. Loeschau, the former Leuna boss who lost his ministers job over the matter of pay, visited Rumania and came back to East Berlin, saying: The Rumanians get a modern chemical industry. But we get forced into uneconomic branches by the SU.-- Opposition in these circles to the continued reliance on lignite for power base. They would like to expand electric railroading on an oil base; but Russians veto that. Fear COMECON won't function, excessive dependence on Soviets.

The "new economic system" is inconsistent. Managers' freedom is expanded, then curtailed again. They have to explain and justify their decisions increasingly.

Q. Do the pragmatists have an exponent in the leadership?

A. They're like-minded people but unorganized. "Some suppose" that Stoph is on their side. He joined the party only at age of 45, "does not talk party chinese"; but one does not know. "Many currants and motives."

Q. Who are the others? A. The "dogmatists" or "conservatives". The people who ~~mean~~ believe the party is always right. Mentions Honecker, Verner, Mattern, Ebert, Frölich. Are concerned about the rise of the technocrats, believe that they will make it harder for the party to govern. Find it tedious to have debates with economic bosses trained in Marxism.

These people do not believe in a German communism; know that their power depends on Soviet support. Some reduction in Sov. troops might be ok, but fear that the withdrawal might go too far.

Q. How clear is the divide between "pragmatists" and "dogmatists"?

A. He concedes that he and others are oversimplifying, "to be better understood by the readers". The wall and the order to shoot fugitives is accepted by people of both groups. Same with the rejection of private property in means of production.

E. may turn up in California in the fall. Expects to travel through US with his wife.

Jim O'Donnell, Newsweek

6/19/66

Inept Am. establishment in Bln. Lack of contact.

Clay's distrust of Willy; capable of selling out. Thinks 7th Army will go soon. Willy's three hats confused Washington; LBJ ordered only yo talk to Bonn about German affairs.

The political prisoner blackmail netted the Zone about \$ 100 million, at the average rate of DM. 40,000 per head, and about 8,000 gotten out since 1962.

Wheelings and dealings between W-G. big industry and the Soviets and the Zone. Leopold travelling around to induce industrialists in plants in the Zone (labor available), and thus to "imrpove the lot of fellow-Germans". Soviet officials providing lists of desirable objects for such investments. German industrialists providing 6 sports cars to Karlshorst officials, who are mighty pleased with them. Some entertainment operations run by the Havel for the Soviet fellows. E. Bahr looking in on the fun and carrying out conversations.

Also, Swedish consul arranging for meetings between Brandt and Abrasimov.

French pay attention to Berlin officials, tell the Germans what the Russianâ want them to do. Through this channel came the news of a Soviet plan to move 5 divisions out of the Zone. The Germans told British and US. O'D thinks deGaulle may bring back from Moscow Russian proposal to pull troops back, perhaps in link with French pull-back.

K. Schütz, Senator for Bundesangelegenheiten, 6/18/66

asks whether there is now "less excitement in Bonn" after the fizzling of the troop negotiations with the French. Schroeder, he thinks, tried to negotiate with the French "like a great power" and wanted "to bring them down to their knees." Others were "more reasonable".

Comments on changes in West Germany. Adenauer "took over deG's idea that SU is a peace-loving state". This evaluation is now "salonfähig". S. himself is skeptical. But if it is true that there no longer is a Soviet threat, that must of course effect fundamentally defense policy and also Berlin policy.

Everybody is searching for something new; and no one has a clear conception. (So true!). If the Soviet threat is gone, one could do "much more daring things" ~~in Berlin~~. Qu. What daring things?  
A: Reduce military planning; put Berlin into the East-West traffic.

Some study in the Senate staff seems to concern itself with the prospects of Berlin as a "great free port", an idea that Brandt ventilated 6 months ago. They seem to be studying how that might be reconciled with the occupation statute, and what it might mean economically. (What would be the DDR interest in this, I wonder? Or would it be a thing the DDR should permit in exchange for some fat subsidy from the FedRep.?)

Some time ago, Senate was hoping for the establishment of an Austrian

airline into Tempelhof. The Allies vetoed that, would not want to touch the air traffic arrangements (perhaps for more than one reason, not to raise a problem with the Soviets and not to touch the lucrative monopoly of the three airlines). But if Soviets less threatening, should one not push again for such things?

Thus one speculates more freely; "a new climate". The Berlin-FedRep. relationship does not get simpler with these developments.

---

Note: This freedom of speculation, searching, etc. gives the German scene a more than usually uncertain coloring. Terms and links appear to float too. In Dortmund, they called each other "comrades", "friends", and "ladies and gentlemen". The Zone is now the DDR and now the Zone. They all seem to agree on one thing, the traditions or existing order do not suffice. To reject them is the right thing to do.

---

Jean-Paul Picaper 8/19

(was ass. at O.Suhr Inst.)

former student of Grosser, has lived in Berlin for many years, presently doing his French military service, as a private, with duty to pursue his field of study, which is the SED. Dissertation (Strasbourg/Paris) on its way; result due in December. Married to Berlin girl. Highly intelligent young man, fluent in G.Fr.Engl.

We talked about the SED, and he developed ideas that he has published in the Revue Francaise de Science Politique, Febr. 1966, ("Le Parti communiste en Allemagne de l'Est"). Impresses me as a thorough sociological/political study. The balance of the presentation is the story of the adaptation of the cadre party to the task of governing a highly industrial society. P. shows this up as something of a success story; in particular the introduction of the "technical intelligentsia" in the apparatus of the governing party. He does not see serious fissures along the line so popular among some of the Western "contact-makers". He also believes that from the industrial element in society and leadership, if not from others, the idea of a "DDR nation" finds responses.

He has not been able to go to E-Berlin for study talks since entering military service; but he seems to follow the press closely. (French element contains a fairly active press collection and translation service.) He analysed the Soviet/SED side of the development of the SED/SPD meetings proposition quite intelligently, on the basis of who met with whom at what time and what position emerged thereafter (not infallible, but at least a method). In particular, he concluded from such analysis that it was not only the Soviets but the State Security and Army people in the DDR who aimed to hold back on, postpone at least, the meetings originally scheduled for July. Ulbricht, he says, functions largely as arbiter in the party, among several elements. Soviet General Kolychev, commander of Sov. forces



in East Germany is the principal transmission link of top Soviet views to the SED. He is a candidate of the politbureau (or is it the central committee?), and outranks Ambassador Abrasimov. P. feels that SED is in no hurry to bring the meetings off. While it (or some in it) desire the opening into West Germany that they may portend -- Ulbricht and other oldsters are in his view more susceptible to this alluring prospect than the younger generation (!!-- they are concerned about their own people's confusion by such events. Some may also feel that delay may drive the SPD to more juicy offers.

A very interesting youngster. Promised to send his thesis when done. Thinks of trying for a French professorship some time in the future.

Pierre Hassner, ... Casanova, Gilbert Ziebura, Rix Lowenthal, 6/19

Dinner meeting of Professors (minus R. Aron) who had just conducted a joint Franco-German seminar, with G. and Fr. students, on Nato and German affairs.

Hassner a very pleasant and bright man, talking thoughtfully about "polycentrism" and the state of the several "centric" countries. Ziebura talked about "the end of the German nation". It has never been able to find a definition of itself (language, race, commitment, or what), and it does not now. "No-one can tell what a reunified Germany (GDR BR and DDR) would be about, why it would not get involved with Germans beyond its frontiers."

Rix talked about successful developing countries having shown ambivalence toward the West. One of China's problem is that it is altogether too hostile to the West. This is an aspect that makes him wonder about the prospects for China's development. He seems to think that the regime there is in some kind of basic trouble.

Martin Rexin, free lancing, RIAS, etc.; Dettmar Cramer, Berlin correspondent of FAZ; wives, Harold H. 6/20/66

I challenge the simplistic typology of SED leaders: pragmatists, dogmatists and suggest nobody knows enough about a sufficiently large range of people to form any meaningful groupings.

It emerges that these people, and apparently also Bahr, etc., depend for their information on SED currents to a very high degree on a single man, von Berg, "the young man of Stoph". R and D go to see him in East B. He was at Dortmund (where he made the "optimistic" statement retailed by Bahr, above. C. just saw him today and heard him say that everything was going forward in Chemnitz, preparations (wiring, hotels, etc.) were being made. So SPD should not stop hoping. C. suggested, perhaps there just would be no further "preparatory meeting". Qu. Is it needed? He thought not. But the SED still has not revealed whom they would send.

R. described the background of v.B. Harold is writing a summary of it. This man gives the impression that East German communism is not content with its home in the DDR. He offers opinions that "all must change", that everyone must "take risks", "break the ice". Qu. What prospects does he see for SED gains in the talkfest? Noone knows; and I suggest that with this line, v.B. could hardly persuade a skeptical SED boss or Russian.

This is one kind of "pragmatist". Another kind is Loeschau, the former manager of Leuna who became minister of chemical industry and got fired recently, demoted to a small managerial job. Apparently an outstanding case of an industrial manager coopted to the leadership. R. and C. don't know him, but believe he has little interest in "all-German communism",

and in getting mixed up with revolutionary activity in the FedRep. He is described as a man who truly lives up to the party idea of "material interestedness". C. knew that he had made 8,000 marks a month at Leuna, only 4,000 as a minister, and that he had written a letter to Stoph threatening to quit ("kündigen") -- supposedly because of that. Considerable difference between this type and von Berg, or Havemann.

Ulbricht "no longer is considered a dogmatist"; he stands now above the groups. The idea that the pragmatists are willing to play ball with the SPD, and the dogmatists are not, is meaningless.

R. has not been in East Berlin since March; apparently difficulties with his press pass. C. often gets over and visits the Satellite embassies. There he finds people joking about the plans for the talkfest, laying bets whether it will come off. The Eastern Europeans he says, irritate the DDR fellows by looking down their noses at the non-national character of the SED. The DDR fellows in turn find things in the Eastern countries primitive and obnoxious, SU included. On the higher levels, the DDR is being upgraded because of its economic accomplishments, to figure as the SU's main partner. The two plus Poland and CSR are emerging as a kind of inner group of the Bloc. On lower levels, "the socialist camp" has little meaning for most DDR types as a home for the Germans.

Rumors of Soviet intent to withdraw 5 divisions, for all kinds of alleged reasons (including "service at the Chinese border"). Qu. would the Soviets save something by moving these units back. C. believes they would, because, he thinks, the DDR has obliged itself to pay the Soviets a fixed sum for troops (?). But he also thinks the Soviets would not want to pull these units out now, because "together with the coming of the SPD to Chemnitz" that would risk provoking something. Qu. Would not 15 divisions do for that something, let alone the NVA? Other qu. Might not DDR be ready to let some go?

We drew up a hypothetical final communique for de G's Moscow visit:

- (1) Farreaching coincidence of views on international situation; but also divergent views.
- (2) European nations to concern themselves with the solution of European problems, notably the German problem.
- (3) Against external interference with Vietnam
- (4) Desirability of reducing troop strengths in Germany.
- (5) Absolute prohibition of the transfer of nuclear weapons to non-nuclear powers demanded.
- (6) Franco-Soviet cooperation in technological and artistic realms, including space and communications
- (7) A Franco/Soviet "friendship" pact, substantially expressing vow not to fight each other, but perhaps not labelled a n-a pact.

IFAS Berlin Report (Buro Berlin des Inst. f. angewandte Sozialwissenschaft) of March 1966 deals with "confidence in the protective powers".

Trends show a considerable drop in % believing that France wants to hold Berlin, from a level of 60-70% in 1963/64 to less than 50 at the end of 1965; corresponding belief for US remaining at about 90%.

Another interesting shift: Up to June 1964, inquiries showed consistently less ~~more~~ people expecting to stay in Berlin if the Western powers left than the number expecting to stay, ratios of about 50 to 30. Beginning July 1964, five successive inquiries up to the end of 1965 showed a majority of those expecting to stay over those expecting to leave (about 45 to 40 percent), with percentage of uncertain answers dropping.

Readiness of Berliners to leave the city has risen a little in 1965, but not to a level comparable to 1961 (before and after wall) (40% then, and of 1965: 31%).

Confidence in W. Brandt remains high (above 70%) although slightly slipping at that level.

The percentage of those that believe the protective powers could do more for Berlin ~~remains around~~ dropped from 61/63 (about 50%) to little over 40% in 1964, and rose back to 50% or more in 1965. The percentage expecting more from the Fed. Rep. for Berlin remained nearly constant throughout the period, at about 60%, i.e. higher than for the powers.

Confidence in the economic future of Berlin has dropped in 1965, from 82 in May/June to 66% in December. In October 61, 58% expressed confidence. Lack of confidence in the protection of freedom by the powers seems somewhat higher among the 20 to 34 year old than among the 35-49 year old or older.

Incomes in 1965 have tended to rise for the majority.

Percentages of those who believe that "the Russians will have their way in Berlin" remains low, at about 10%, in 1965. After "the wall" in 1961, it was 20%, but before the "April trouble of 1965" (in connection with Bundestag meeting in Berlin), it had dropped to 5%.

6/20 Harold Hurwitz Works with IFAS on opinion surveying in Berlin, office at the Senator f. Sozialwesen. Relationship to IFAS ~~is strained~~ is strained. He is looking for a job, hopes to work on Berlin and German prospects. Jim O'Donnell is trying to interest the Mission in hiring him.

Complains of lack of active participation of the Berlin Americans in the development of ideas of Brandt's crew about Berlin as a "center of East West trade", and such things. Believes the French may endear themselves more, perhaps by gestures (hardly more). Thinks the 3 allies look more divided to Berliners, although it seems to me that they are less divided in Berlin than elsewhere. Says, allies would have looked better in last year's ~~Amk~~ "Bundestag crisis" if they had put up helicopters as a hindrance to buzzing Soviet jets.

Supposing that the FedRep opened itself to Communist influence, as Bahr suggests it do, Harold doubts that West Berliners would permit a like development in the city. They would continue to look to the Senate for assuring their protection, through cooperation with the allies. (This is an element alright; but under conditions, it could be swamped by others.)

John A. Calhoun, Chief, Bln. Mission 6/20/66

Pleasant talk. He is a serious, thoughtful man. (Jim O'D. says he hopes to become ambassador to Greece some day.)

Preservation of Am. position: US helicopter flights over East Berlin have been discontinued (somewhat in "exchange" for stopping of East-G. heli. flights over West Berlin. US practices occasional flights over East-Bln. in small fixed wing aircraft. Apparently none such from the other side.

Relations to Bln. Senate. Three-power rulings are generally communicated to Senate first informally (advance notice), to "reduce shock". Allies tend to stay aloof from many Senate rummagings, e.g. in the "passes" negotiation area, as long as "rights" are not touched. "No prospect" of a meeting of the Bundestag plenum in the Reichstag; but the committees come at regular intervals, and Lübke comes often..

"Unification" agitation: Bahr is in a hurry: within 10 years or never." But the prize of the efforts lies in Fed.Rep. politics rather than changing relations to the Zone.

The French tend to be more active in 3-power affairs than they used to be, show no disinterest in their Berlin position. Have reduced the facilities of the Maison de France on the Ku-damm, however, or changed them; the restaurant is now open to Germans, and the "closed" French restaurant is on the Tegeler See.

C. believes that Berliners are less sensitive to US troop strength in the Fed.Rep. than Bonn. (I doubt that this is true for troop strength in Berlin.)

Qu. What is in US own national interest: continued, active presence in Berlin, or aloofness and eventual withdrawal? C.'s answer dealt only with Berlin's interest in US staying there.

Gleysteen (Dirk?) believes that Berlin SPD is solid in its right-wing leanings; considers Mattick's position as strengthened.

Dettmar Cramer in FAZ of Jan 15, 66 summarized Brandt's thoughts about fitting W-Berlin into East-West trade and a "permanent East-West fair" in Bln. Studies of possibilities seem to be continuing.

Otto Frei will leave Berlin for Lausanne in September. NZZ will have no permanent correspondent in W-Bln. J. Boelke of T-spiegel will do current work for them; Frei will come to Bln. occasionally. In Lausanne, He'll deal with Swiss affairs, among other things with a turbulent situation in the Western part of the canton of Bern, where a movement to secede from Switz. and to join France seems to be on foot.

Asked about his view of Ulbricht's objectives in contacts with the FedRep, F. suggests a kind of "remote control" of the FedRep by the SED, enforcement of suitable behavior ("Wohilverhalten"), paralysis, and extraction from its Western combinations.

U. fears "the third way" (not SED, not Bonn, but some "humane socialism".

U. sees a "special relationship" developing between Su and DDR ("höhere, besondere Form der Beziehungen"), phrase used in a joint Soviet/E.German planners' communique). Moscow, E-Berlin, Warsaw and Prague form an inner-group in the "socialist camp". DDR is the no. 2 in that bloc; that's more than the FedRep can say for itself.

Explanations of economic progress in the DDR: The wall did more for it than the New Economic System. The latter produces contradictions and frictions. Apel was its victim. To support the trouble-shooting initiative of some of his "entrepreneur"-friends, he overdrew his resources. Ulbricht meanwhile made 8 new industry-ministers, who limit the powers of the VVB-directors, notably in financial matters.

DDR agriculture did well last year, in contrast to that of much of Eastern Europe. Liberal distribution of premia.

Berlin passes: A large number of passes issued were not utilized. F. wonders whether the vexations and disappointments of these laboriously prepared meetings of relatives are not diminishing people's interest in them.

Unrest at Free University: Many West-German students (7-8,000 in toto; half of total enrollment?). They circulate freely across the wall, have discussions in E-Bln about "humanitarian socialism" ("Verschwörung der Haverländer"), in which they pit the socialist dream against the West-German reality. The East-G. reality is treated as a temporary aberration. In West Bln, Argumentklub and SSB.

F. speaks of about 1500 "engagierte" students at the FU, who are rebelling against parents, mediocrity of western leaders, "fascism". They don't agitate much for reunification, or the national idea, call themselves "rational republicans" and emphasize their "scientific" approach. To them, the "DDR is conceptually right", they like its educational principles, other principles.

F. expects a crisis at the FU. The limitation of studies (to 9 semesters in the law faculty) is resented. Students demand "reforms" of university system, instead, basic reforms under participation of the elected student representatives, as "partners" of the professors. The university constitution ("Berlin system") with its democratism (reaction to Humboldt univ. conditions in the founding days) favors these claims. The radicals demand participation of students in professorial appointment, "community of the teachers and students". Their conflict with the univ. administration is presented as a case of "class struggle". The administrators and professors are the "class enemy". Students ought to be paid for studying.

On the opposite side they find a mixture of paternalistic, haughty, authoritarian types and weak liberals, and the legalistic attitudes of authorities. The political leadership is "dead"; the students are "the only ones who have stayed alive" and gain an importance that they would never have in a normal democracy.

F. thinks that agitation may lead to demonstration against the Americans, possibly joined by students from the other side.

Ideological development in the DDR (writers, theater men, etc.) is bothering the regime. It tries to discipline them. The opposition attacks socialist realism, demands free access to world literature, and free travel. The regime tries to put the blame on travel restrictions by the Allied Travel Board.

F. showed me an extreme poster that appeared at the time of the attack on the Amerika Haus. It seemed to come from the "chinese faction".

Attended briefly a demonstration in the courtyard of the FU, which extended into the night. It succeeded in bringing Rector Lieber out before the hostile crowd and making him plead with them to disband. They booed and did not and read their demands to him.

Willy Brandt 6/17

Spent an hour with him before he, Wehner, and Gradl addressed the crowd before the Rathaus on the occasion of the 17th of June. There was a lot of room in the Kennedy square. -- B. seemed relaxed and talked easily. The prospects for the SPD/SED meetings seemed then fairly good.

I began again with the four elements of German policy. His first comment: "As a practical politician, I would not want to make an unnecessary choice." The Atlantic connection "remains vital". Regarding Europe, the combination of the 6 goes on; but no political union is in sight. National viewpoints are emphasized. He believes that England will join the EEC eventually.

German policy does not turn back on Atlantic and European efforts, but politicians think increasingly about a connection between Europe and German reunification. Rounding out the FedRep as a sovereign state seems a "surprising" direction to take. What does it mean? I suggest frontiers, provisionalism, armed forces, as possible dimensions.

Regarding reunification, the goal appears no longer as one of forming an all-German state. This appears unrealizable. But there is the problem of the people. The interest in "imrpoving their lot" has increased and will continue to increase.

Q. Would such a concept of (improved) coexistence of the two states have consequences for the development of the FedRep toward a more self-contained political thing? A. Is that necessary? It should be possible to differentiate between economic areas and the political constructions. For the economic areas, some joint construction might be possible, at least was possible. In the fall of 1962, Adenauer had 2 documents from Stoph. One could have formed a higher office than the Treuhandstelle for FedRep/DDR contacts, "perhaps under a consul general, retired". This could have had two divisions: economic matters and others (and presumably have dealt with some structure on the DDR side). "But now it's too late for that. The DDR has grown too strong."

He talks about the new people coming to the top in the DDR. What do they think about Germany? "They look at things differently from Ulbricht." Have more self-confidence and confidence in the future of the DDR. And they have less concern with revolutionizing the FedRep than Ulbricht. The rise of these people goes on slowly. In 10 years they will be leading. Q. Who are they? A. The type that directs the great enterprises. They will enter into the party leadership. And one can work with them more easily than with the present bosses. (see Bahr.)

Comes back to the idea of the FedRep developing into a more complete state. "That's fascinating. Have to think about that."

(After the evaporation of the prospects for the talkfests, he will watch the results of the elections in N-Rhine-Westphalia with some concern. If they are not good for the SPD, the euphoria of Dortmund will be disturbed.)

Kurt Leopold 6/22

Former head of the Treuhandstelle für Interzonenhandel. Now retired and active in organizing industrial interests for a liberalization of West German trade policy vis a vis DDR. Just returned from a meeting at Rhein/Ruhr Club in Düsseldorf. He began by asking questions about the war in Vietnam, seemed particularly interested in whether the US forces faced a problem of morale there.

The DDR economy faces problems of rationalization, specialization, investment and the reduction of over-developed industries. The iron and steel industry has absorbed scarce resources; much of it is not viable. Very foolish investment policy. Now chemical industry, light machine building, electric power, and transport require large investments.

The trade agreement with the SU (last winter) was a bad blow. The Soviets forced the DDR to orient itself more to the Su than it had wanted. The SU can only supply some of the things needed for the rationalization of industry. Zone has to take Soviet tractors, which are too heavy for its agriculture, instead of more suitable Western tractors. This treaty disappointed the new managers.

Interest of West German industry in trade with the Zone continues to be dependent on the state of activity. Coal and steel have idle capacity now and are therefore interested. Others less. But there is a degree of stagnation in West German economic development. Firms now go more readily to the Leipzig fair.

But prospect for coal sales are poor. Soviet coal preempts the DDR market. Anyhow DDR prefers importing machinery from the FedRep. That depends on credit more than on price. France gives 8 year credit on sales now and increased its trade with DDR by 65% in 1965, hopes for another 60 percent increase in 1966. Other Western countries (other than FedRep) increased their exports to DDR by 20% in 1965.

Hitherto, FedRep had export credit insurance only for "foreign" trade. For interzonal trade, an institution known as "Treu-Arbeit" in Düsseldorf, semi-public enterprise with Fed. gov't participation has been guaranteeing bank credits for trade with the DDR against the application of the revocation clause only. (This clause in the IZT agreement, introduced during the Berlin crisis, has never been applied, and FedRep has shown great fear of ever applying it. This insurance should have been good business.)

Now, pressure from industry (which L. helped organize) is very likely to bring about a broadening of the risks against which Treu-Arbeit is going to insure banks, thus opening the valve for credits to DDR customers in IZT. It will cover the same risks as Hermes does for foreign trade (H. now gives guarantees for 5-year credits; L. is not sure whether TA will stop there or go to 8 years right away.) L. expects a considerable effect.

There are also discussions about raising the swing credit span by another DM 100 million, in connection with efforts to sell Ruhr coal. Renewal of basic IZT agreement is blocked by disagreement

on signature formula.

Q. Any plans to invest directly in DDR enterprises? A. It's hard to find an acceptable form for direct participations by FedRep firms. But something else is under discussion, cooperative arrangements between FedRep and DDR enterprises, under which part of the production, components, will be made here, and part there. E.g. in electric industry and chemicals (where there existed a division of labor between E. and W. Germany in the old IG framework, which has not yet completely disappeared.) For example toasters are being considered.

It's desirable "from a German viewpoint", but there are difficulties in making the arrangements. The existing IZT agreement presents risks for the execution of such deals, because it require or involves govt. approvals. The DDR is worried about becoming dependent in "important" branches. Something will materialize, he thinks, at the time of spring fair in Beipzig next year.

Q. What about cooperation of FedRep and DDR firms on projects in underdeveloped countries? A. Practically nothing.

Q. What are the prospects that the FedRep will adopt a program of development assistance for the DDR? ~~It would be desirable~~ A. It would be desirable, but the Federal gov't does not yet contemplate it. "Over the next 20 yvars, I expect that more normal relations will develop between the two states."

J. Boelke, Tagesspiegel 6/21 Will do current reporting for NZZ after Frei leaves. Had lunch. B. expressed disgust with the woolliness of German politics, and the apolitical tendency in the population. Political interest of T-sp. readers is flagging.



July 16, 1966

Dear Hans:

You'll be interested in the enclosed letter by Stikker to Beaufre (and the M.S. of an article); St. gave me both in the course of my interview with him.

When you are through with the two pieces, please ~~ask~~ send them on to my office. I

promised St. to return them to him after my return, i.e. in early August.

Best regards, hope you are well.

Hunt