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NATO SECRET

To: Secretary General
 c.c. Deputy Secretary General
 DEG/ASG for Economics and Finance ✓
 ASG for Political Affairs

From: Executive Secretary

Summary Record of a Private Meeting of the Council
 held on Thursday, 21st January, 1963 at 10.15 a.m.

THE BERLIN PROBLEM AND THE MOST RECENT STATEMENTS BY THE SOVIETS
 ON THEIR POSITION

The CHAIRMAN, inviting delegations to state their views on this subject, recalled that the International Staff assessment of the present situation was contained in document PO/53/50.

2. The CANADIAN REPRESENTATIVE made a statement (a) regarding:

- (a) recent indications of Soviet intentions in Berlin;
- (b) the Four-Power Plan for a Western Response to a Separate Peace Treaty, circulated on 13th November, 1962.

3. In reply to a question by the Danish Representative, he said that, in the view of his authorities, political contingency planning might usefully and effectively be continued without publicity during the present period of calm.

4. Representatives agreed that the question of political contingency planning might also be considered during the present exchange of views.

5. The BELGIAN REPRESENTATIVE recalled that, at the private meeting of the Council held on 21st November, 1962, the German Representative had made a statement regarding the recent discussions in Washington between Presidents Kennedy and Adenauer. This statement had contained the following passage:

"With respect to any new initiative on Berlin, it was agreed that the first essential was to settle the Cuban question with the Soviets. It was felt that if it proved possible to achieve a reasonable settlement with

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(a) reproduced as Annex I to the present record.

them on Cuba, we could then wait and see whether any new Soviet initiative on Berlin might be forthcoming, particularly as it might relate to the key issue of the presence of Western troops, and thereafter consult together with our Allies on a common course of action to be followed".

This text clearly established a triple sequence:

- (a) A reasonable settlement of the Cuban question must have been achieved. He wondered whether the United States and the other members of the Alliance believed that this first condition had in fact been satisfied.
- (b) If this first condition had been satisfied, the West could wait and see whether any new Soviet initiative on Berlin might be forthcoming, particularly as it might relate to the key issue of the presence of Western troops. It should be examined whether there was in fact any new Soviet initiative in the sense of the Adenauer/Kennedy declaration. In particular, were the recent statements by Mr. Khrushchev with regard to Berlin Wall as outlined in paragraph 1 (1) of PO/63/50, to be interpreted as implying a change in the former Soviet position that West Berlin must be regarded as part of the GDR? It might also be asked whether a change in the Soviet attitude was indicated by Khrushchev's statements regarding the temporary stationing of Western troops in West Berlin under the United Nations flag.
- (c) If it was agreed that conditions (a) and (b) above had been satisfied, member nations might then jointly consult on a new course of action to be followed. The question therefore arose whether a new common course of action should be elaborated, and if so, in what way?

6. The UNITED STATES REPRESENTATIVE said that he would request his authorities to consider the questions raised by the Belgian Representative.

7. Stating the preliminary views of his country with regard to the question of Cuba, he said that the New York talks had not resulted in further implementation of the agreements in the letters of 27th and 28th October, 1962, of Presidents Kennedy and Khrushchev. The results of the talks were not satisfactory to the United States, and the joint Soviet-United States letter to the United Nations represented in effect an agreement to disagree.

8. As Representatives were aware, the Soviet Union had withdrawn its offensive missiles, IL 28 aircraft, and some military personnel, and the quarantine had been lifted. The Soviet Union and Cuba however refused to allow on-site inspection or to agree on a system of safeguards under United Nations auspices. The United States position with regard to an insurance against the invasion of Cuba, therefore, remains as set forth in President Kennedy's Press Conference of 20th November, 1962. In the absence of adequate inspection and safeguards against the reinstallation of weapons, the United States continued the air surveillance of military activities in Cuba in the interest of hemisphere security. The continued presence in Cuba of large numbers of

Soviet military personnel, some of whom were organized into combat units, constituted a continuing unacceptable intervention of foreign military power in the Western hemisphere.

9. The United States was also gravely concerned regarding the subversive efforts of the Castro communist régime against other Latin-American republics, and believed that intensified vigilance by the Organisation of American States and individual countries and effective counter-measures were necessary to meet this challenge.

10. With regard to the advisability of undertaking a general review of the Berlin contingency planning, he said that although the Soviet attitude remained unreasonable, his country would favour the continuance of discussions on this question during the present period of calm, and would particularly welcome the suggestions of its allies regarding the attitude which should be adopted by the West at the present stage.

11. The NORWEGIAN REPRESENTATIVE expressed the hope that the Council would have a further opportunity to discuss a number of the interesting points raised by Canada.

12. His authorities believed that the present lull in tension over Berlin was liable to last for some time. However, he felt that in the absence of an acute crisis, the West would find itself unable to agree upon specific contingency plans or to determine the degree of involvement with the GDR which might be acceptable in certain circumstances.

13. In all probability, the Soviet Union was currently engaged in an assessment of the overall position, and new opportunities for diplomatic approaches might well occur as the present trend of Soviet thinking became more clearly defined.

14. While, therefore, the problems of Berlin and of East/West relations should be kept under continuing review, and contacts with the Soviet Union should be maintained, the West should refrain from taking any positive initiative with regard to Berlin at the present stage.

15. The GERMAN REPRESENTATIVE agreed that Soviet pressure on Berlin was likely to be relaxed for a period, during which the Alliance might usefully review the problem and study any specific proposals advanced by delegations.

16. After drawing attention to the psychological difficulty of considering important and far-reaching concessions at a time of relative calm, he warned delegations against the danger that any renewed discussions on Berlin within the Council, should they become known, might precipitate a new stage of disquiet, and encourage the Soviet Union to revert to its original position. He went on to read an analysis of the current situation as seen by his authorities (x).

17. The ITALIAN REPRESENTATIVE supported the views expressed by the German and Norwegian Representatives, and recommended that

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(x) reproduced as Annex II to the present summary record.

discussions on Berlin be continued along the lines of the Canadian proposal.

18. His authorities also believed that Khrushchev was unlikely to raise the question of Berlin for some time, perhaps, inter alia, for one or more of the following reasons:

- (a) He must allow a decent interval to elapse before denying the doctrine of peaceful co-existence with which he had veiled his retreat in the Cuban affair;
- (b) The Soviet Union was perhaps awaiting some decline in the Western capacity for resistance - e.g. through governmental changes or cracks in Western solidarity - which might improve the Soviet position on the Berlin question;
- (c) A crisis in Berlin would cause the West to put aside their internal political differences which had recently arisen.

19. The FRENCH REPRESENTATIVE stressed that in the absence of precise and detailed information, only a tentative assessment could at this stage be made of Soviet intentions.

20. Mr. Khrushchev's present moderation - which should not be mistaken for indifference - might be attributed to the following recent developments:

- (a) the internal difficulties of the Soviet Union;
- (b) the apparently widening Sino-Soviet split, which was heavy with implications for Europe and the West, and should be followed with the greatest attention. The members of the Alliance would, however, be unwise to over-estimate the advantage to be drawn from this dispute, bearing in mind that the solidarity which they had evidenced during the Cuban crisis was not necessarily a Western prerogative;
- (c) the outright and significant defeat of Mr. Khrushchev in the Cuban affair, which made him wary of undertaking a similar venture in the European theatre.

21. The most striking development which had recently been noted was the apparent Soviet abandonment of the concept of a separate peace treaty, which Mr. Khrushchev had nonetheless vehemently supported for the past four years. However, the West perhaps tended to attach excessive significance to this concept, which should rather be considered as complementary to the overall problem represented by the fundamental and unchanging Soviet objectives in Europe, viz:

- (a) The separation of West Berlin from the Federal Republic. Inevitably, the creation of a so-called "Free City" would sooner or later result in the absence of the West from West Berlin, with disastrous consequences to the Alliance. Similarly, the replacement of Western by United Nations troops would represent a basic alteration of the status quo which was clearly unacceptable to the West;
- (b) The recognition de facto and de jure of the GDR as a second German state, enjoying the same status as the Federal Republic.

22. In face of this continuing threat, the West must maintain its vigilance, firmness and solidarity, and recognise that serious negotiations could not usefully be undertaken until the Soviet Union was prepared to modify its objectives and put forward valid and positive proposals.

23. The NETHERLANDS REPRESENTATIVE said that he could agree with the great majority of the remarks made by previous speakers, and noted the large measure of unanimity in Representatives' interpretation of the factors presently at play in the Soviet Union. He was impressed by the general consensus that the Soviet Union was currently engaged upon a reassessment of its policy, and suggested that the West study Soviet intentions in the light of present indications.

24. The West was presently faced with two alternatives, viz:

(a) to allow the current Soviet process of self-inspection to continue, and eventually to consider further action in the light of developments in the Soviet position;

(b) to consider whether action might be taken with a view to stimulating the Soviet process of reassessment.

25. He would welcome a specific reply to the questions put forward by the Belgian Representative.

26. Recalling that economic and military contingency planning had been conducted under some degree of pressure, while political contingency planning had been regrettably neglected as a result of the easing of the Berlin situation, he expressed satisfaction that the Canadian Representative had drawn attention to the continued importance of the latter.

27. He believed that the concept of political contingency planning as a deterrent rather than a response to the signing of a separate peace treaty was to be ascribed to the improvement in the political atmosphere over Berlin. This concept might be studied with some advantage, even if it produced no concrete results.

28. He noted with interest that the Soviet Union appeared to be taking increasing account of Western reactions, as was evidenced by Soviet interest in the recent unfortunate political developments in western Europe.

29. In conclusion, he expressed the hope that, as a basis for discussion, further studies would be submitted with regard to the various political questions listed in PO/62/641.

30. The TURKISH REPRESENTATIVE believed that delegations were generally agreed that in face of the present situation, the West should take no positive initiative, but rather await developments, invite the United States to maintain its contacts with the Soviet Union, and continue its assessment of the situation on the lines indicated by Canada.

31. While it was true that Mr. Khrushchev appeared to be using the Berlin Wall as a somewhat feeble substitute for the conclusion of a separate peace treaty, delegations should not lose sight of the fact that the Wall had nonetheless been successfully imposed.

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32. Khrushchev did not appear to desire a final solution of the Berlin question. Insofar as the immediate future was concerned, there seemed to be two possibilities:

- (a) the Soviet Union might attempt to impose a new modus vivendi, acceptable to the West and allowing for the existence of the Wall, or
- (b) Khrushchev might wish the respite to continue for a period, to allow him time to make a re-assessment of the situation.

33. It should be remembered that the fundamental points of departure for contingency planning were furnished by the enemy; thus, present Western plans were based on the assumed signature of a separate peace treaty.

34. The GREEK REPRESENTATIVE was in general agreement with the views expressed by previous speakers, and praised the initiative of Canada in drawing renewed attention to the Berlin problem, which continued to represent a potential source of tension.

35. While the Council should clearly continue its discussions on the question, he felt that no positive action could be taken at this stage, since the future development of the crisis could not be foreseen. The West must necessarily adopt a static position, its primary purpose being to defend the status quo and adhere to its basic commitments. The only initiative which might reasonably be taken was to discourage any Soviet action prejudicial to the maintenance of peace and of the status quo.

36. The DANISH REPRESENTATIVE favoured a review of political contingency planning, on condition that the value of the latter was not over-estimated. For example, in discussing contingency plans relating to the signature of a separate peace treaty, the Council should bear in mind that the Western response in such an event would inevitably be based on the current world situation, and might well be subject to modification by reason of the specific modalities of the treaty or of the declarations accompanying it.

37. The UNITED KINGDOM REPRESENTATIVE said that his country subscribed to the previous speakers' assessment of the situation and agreed that no Western initiative could be taken at this stage.

38. The United Kingdom had invariably supported the maintenance of contacts between the United States and the Soviet Union, in the belief that:

- (a) such contacts were advantageous in times of tension, and satisfied public opinion, which demanded that every effort be made to avert unnecessary crises;
- (b) they might lead to an agreement with the Soviet Union which would improve the Western position in Berlin and Germany.

39. These hopes had, however, proved unfounded, since the various Soviet proposals had invariably been designed to weaken the Western position. While, therefore, contacts should clearly be

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maintained, the West should continue to reject such proposals and await a more forthcoming attitude on the part of the Soviet Union.

40. In conclusion, he expressed agreement with the view that political contingency planning was beset with difficulties, by reason of the many unforeseen factors which were liable to arise.

41. The CHAIRMAN, reviewing the discussion, noted that delegations were unanimous in welcoming the Canadian initiative to discuss the present Berlin situation on the basis of an assessment of Soviet intentions. While the view had been expressed that the West, during this period of relative calm, would be well advised to keep the situation under constant review, several delegations had questioned whether an effective and well defined Western response could be planned in anticipation of a crisis. The Council had moreover been warned of the danger that in certain circumstances the renewal of its discussions on this subject might itself provoke a crisis.

42. There was a general consensus that no basic change in Soviet objectives was presently noticeable, although the questions of the Belgian Representative drew attention to the caution with which the West must proceed whenever some modification of the Soviet attitude appeared likely. He was personally convinced that recent Soviet pronouncements contained little of positive value and that any reassessment presently under way in Moscow was confined to purely tactical considerations. The Council would welcome advice on this question from one or more of the Four Powers.

43. In conclusion, he proposed:

- (a) that the United States authorities should reply to the three questions put to them by the Belgian Representative, and
- (b) that nations should reply to the questions set out in paragraph 14 of FC/62/641, with a view to determining whether political contingency planning was now generally regarded as a deterrent rather than a response to the signature of a separate peace treaty.

44. On the basis of the replies to the questions under (a) and (b) above, the Council might subsequently proceed with its deliberations on the question of Berlin.

45. The BELGIAN REPRESENTATIVE expressed the hope and belief that consideration of the three questions which he had raised would broaden the discussion into a study of the overall question of East/West relations.

5th February, 1963



NATO CONFIDENTIAL

Canadian Delegation,
OTAN/NATO, Paris 16e.
January 31, 1963.

STATEMENTS BY THE CANADIAN PERMANENT
REPRESENTATIVE AT THE COUNCIL
MEETING OF JANUARY 31, 1963.

Mr. Chairman:

Last week I suggested that the Council discuss Berlin political planning, and followed up that suggestion, which I made on the instructions of my government, with a letter on January 24 setting out what it was that we proposed. That letter suggested three tasks which, in our view, the Council might undertake: first, an exchange of views on recent indications of Soviet intentions on Berlin and a discussion of Western tactics; secondly, a review of various aspects of political contingency planning, carrying on where we left off before the ministerial meeting; and thirdly, consideration of a procedure for reviewing various proposals which have been under consideration from time to time for a possible East-West settlement.

I propose for the moment to concentrate on the first point. Perhaps, if you want, I could go on to discuss the second point. I have asked for this discussion partly because my authorities consider that most foreign ministers at the last ministerial meeting favoured examination of the western position on Berlin, and partly because they are concerned that the next Soviet initiative over Berlin whenever it comes is likely to be in the political rather than in the military field: the one in which there is no agreed allied contingency planning to parallel that on military measures and economic measures. As Mr. Green said, "It is not enough to wait until after the event to react to Soviet initiatives"---and it is the job of the Council to cope with this problem. If, as I suspect, our consultations reveal a consensus that there is no indication of an immediate Soviet political initiative, this will not be regarded by my authorities as a valid reason for the Council to neglect the subject. If we do not do our political contingency planning during a period relatively free from tension, we shall find that when tension is increased we may be told that we cannot make any moves for fear of appearing to give in to pressure.

As you have pointed out in your useful paper, P0/63/50, Mr. Chairman, there have been several indications, especially in the speeches at the communist-party congress in East Berlin, which suggest that we may continue to enjoy a pause in the pressure over Berlin for a time. The Russians have a number of other problems which require urgent attention and so have the authorities in East Germany. Khrushchov's speech left us with the impression that he was playing for time, although perhaps with a little less confidence that time was necessarily on his side than he had before Cuba. The absence of ultimatums or threats of unilateral action concerning a peace treaty is gratifying. But consistent with the post-Cuba line that it is now the west's turn to make concessions, his speeches offered, with one possible exception which I shall mention later, no real indication of willingness to compromise on any essential point. The lack of much flexibility could be attributable also to his difficulties with the Chinese and to an obvious desire to preserve his bargaining position. In our view, what demonstrated most clearly communist reluctance to

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compromise very far was Ulbricht's rejection of attempts to link additional West German economic credits with the free movement of West Berliners into East Berlin. In our view this is evidence of the firmness of the Soviet position on its proposal for a free city of West Berlin, since the acceptance of additional credits on these terms would have undermined communist efforts over the past two and a half years to establish and maintain the distinction between West Germany and West Berlin---a distinction which lies at the heart of the free-city concept.

If speeches at this communist-party congress aimed to show the extent of his commitment to a settlement of the problem of Germany and Berlin on Soviet terms, equally Khrushchev gave Ulbricht no reason to expect an early change in the present situation. It was his mention of the contribution which the wall has made to "the establishment of DDR sovereignty" which seems particularly to detract from any sense of urgency.

The lack of clarity about the further course of development of this problem in Khrushchov's speech may suggest that Soviet re-assessments in the light of the Cuban crisis have not yet been completed. On the one hand Khrushchov seemed to be suggesting that the western countries would become weary of the continuation of the present situation in central Europe and the drain on resources constituted by support of West Berlin. On the other hand, he seemed to suggest that western weariness might be speeded up a little by methods of pressure which public opinion in western and non-committed countries can be induced to bring to bear on western governments to facilitate the acceptance of measures which would reduce tension in central Europe and undercut justification for further strengthening of NATO. They might concentrate attention on such measures as a non-aggression pact and non-dissemination of nuclear weapons to the two parts of Germany. In this latter connection, we might have to foresee a renewed Polish campaign to promote the latest version of the Rapacki Plan.

What we think this may add up to for the time being is, that the Russians may well resume their search for a Berlin settlement through bilateral contacts with the United States. We would favour such contacts. In this connection the most interesting recurring point concerning Soviet policy on Berlin which would seem to require clarification is that related to the various versions of Khrushchov's suggestion about placing allied troops in West Berlin under the U.N. flag. In his remarks to the Canadian ambassador, Khrushchov seemed to be withdrawing much of what he had offered in his remarks to Sir Frank Roberts, but in his speech to the Supreme Soviet on December 12 he again referred to western troops in West Berlin in fairly vague terms and Gromyko's remarks the next day also left sufficient vagueness to merit clarification. This is one of the few points on which we do not entirely agree with PO/63/50: we would think it is premature to say that it is not possible to discern any change of substance in the Soviet position, pending such clarification. The real point which seems to us uncertain at the moment is whether these references and those made in January are intended merely as a new stage of an effort to erode the western position or whether they are a hint at movement towards agreement that western troops without the addition of Soviet troops might remain in Berlin under some new formula.

.../PART TWO

PART TWO

Mr. Chairman:

My authorities were impressed by the difference between the paper which was presented to us on behalf of the four powers on November 14, 1962, and its predecessor of September 18, 1961, which was given to Council as part of the four-power briefing of that date. The 1961 paper, for example, proceeded from the assumption that the USSR was likely to sign a separate peace treaty with the East German régime and that there was little, if anything, the west could do to prevent it other than trying to discourage signature by any countries except those of the Soviet bloc and perhaps one or two neutrals. It also suggested that the significance of such a peace treaty, if signed, could be played down with reasonable prospects of success provided, of course, that its implementation did not infringe on any essential aspects of the western position in Berlin. Moreover, this earlier study specifically recognized that available political or economic counter-measures would be ineffective to prevent signature and were in addition likely to have unacceptable side-effects.

The 1962 paper appears to challenge most of these assumptions. The emphasis it places on preventing signature of a separate peace treaty as such suggests that prevention has been transformed into an essential element in the four-power position. Since prevention is an essentially negative aim which may lie outside western power to achieve, this approach seems to us to be less realistic than that of the 1961 paper. Moreover, in contrast with the earlier paper a range of measures of political, economic and even military readiness is contemplated with the aim of preventing the conclusion of a separate peace treaty.

In our view the result of this shift in emphasis has been to render the later four-power paper less a plan in response to the signature of a separate peace treaty than a blueprint for deterrence. While we are inclined to prefer the approach of the 1961 paper in that it appears to be based on a more realistic assessment of what we can do, we would certainly not wish to dismiss out of hand the possible advantages of the policy contemplated in the later paper, particularly if there are reasonable grounds for believing that this approach might be more successful. For this reason I consider it important that we be given an explanation in the Council of the considerations which prompted this change.

If in fact it is accepted that the main emphasis should now be on prevention as opposed to response, we would hope that the four powers would be prepared to consider setting out the advantages and disadvantages of alternative and more positive approaches to prevention of the conclusion of a separate peace treaty.

The 1962 paper assumes in some places that the USSR would invite states not members of the Warsaw Pact to sign a separate peace treaty and proceeds to the further assumption that the only remedy is to try to prevent non-members from participating in the preparatory conference. But we should like to see an examination of the arguments for and against the west attending a peace conference with neutral participation, bearing in mind the way in which neutral participation in the Eighteen-Nation Disarmament Conference in Geneva has been far from meeting Soviet desires on disarmament. Furthermore, the

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new paper does not seem to consider the possibility that has been mentioned on occasions before, namely that Khrushchov might be interested in coming to some understanding with the west on Berlin before signing a separate peace treaty.

If I may now mention some matters of detail, we are concerned by the prospect in paragraphs 6 to 8 of the four-power paper, of basing even preliminary western military and economic counter-action largely on a statement of Soviet intentions as such. In existing military plans, clearer evidence of a direct threat to essential western positions would be required before military plans could be implemented. We should beware lest emphasis on preparatory measures of a military and economic character should place the west in the position of taking action which might appear provocative and precipitate, particularly in the eyes of the uncommitted world. We would want to have more details of the nature of the plans envisaged in paragraphs 6 to 8 before considering them further.

In the view of my authorities the new paper would require clarification on a number of these issues before it could be regarded as acceptable as a basis for common action in the Council.

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German Delegation to NATO

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S t a t e m e n t

by Ambassador Grewe at the Council Meeting on January 31, 1963

I.

The SED Party Congress and the Situation in the Soviet-occupied Zone

After the setback which the communist cause has suffered in Cuba, in view of the gradually emerging drawbacks of the ideological conflict between Moscow and Peking, and in view of the unsatisfactory economic developments in the Soviet Zone the SED Party Congress primarily served the purpose of taking stock of the situation and - as far as possible - consolidating the communist system in all fields. In this, Ulbricht completely followed the political line issued by Khrushchev.

(1) In the ideological field the SED tried to avoid giving undue emphasis to the conflict between Peking and Moscow. Although the Chinese delegate did not react to the conciliatory statements made by SED quarters, Pankow's subsequent efforts to hush up both the aggressive parts of the Chinese delegate's speech and the noisy scenes during his speech show that the impression of "complete solidarity among the communist parties" was to be maintained at least vis-à-vis the population in the Soviet Zone. However, the fact that this conflict continues unabated is shown by the action of the Communist-Chinese embassy in East-Berlin (which distributed the text of the speech to western correspondents) and by the criticism directed at the Chinese by Ulbricht because the Soviet Zone had not been consulted in the "completely superfluous" frontier conflict with India. It is true, of course, that this conflict is particularly inopportune in connection with the Soviet Zone's efforts to obtain recognition.

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(2) The complacent progress report drawn up in the economic field by the SED leadership cannot conceal the permanent crisis in this field which is primarily due to the failures and the inefficiency of the governmental and party machinery. This crisis found its clear expression in the dismissal of Mewis, the chairman of the planning committee, before the Party Congress. It was also indirectly admitted during the Congress when Ulbricht repeatedly criticized individual output. He tried to find the way out of this situation in repeating his demand for a general increase of labour productivity. In this he was supported by Khrushchev.

(3) In the field of foreign policy in general Ulbricht followed Soviet tactics by trying to drive a wedge between the Federal Republic and its allies; the Federal Government was attacked, while the other western countries were largely spared. To a large extent Ulbricht left the discussion of the present-day international questions to the Soviets, with the exception of the negotiations between the Head of the West-Berlin Trusteeship Office for Interzonal Trade, Leopold, and the representative of the Soviet Zone, Behrendt.

(4) As far as Germany and Berlin are concerned, the aims of the SED have remained unchanged. Ulbricht's allegation that contacts had been established for the preparation of governmental talks between the Soviet Zone and the Federal Republic and the insistence on direct negotiations between the Berlin Senate and the Soviet Zone on the question of visitors' passes show that Pankow consistently pursues the accomplishment of its political objectives, namely: recognition of the theory of the existence of two German states, elimination of the Western position in Berlin, establishment of a confederation between the two German states, and, finally, "the creation of a reunified, peaceful German state". In this connection it should be emphasized that both Ulbricht and Khrushchev explicitly referred to the priority of the class struggle aspect over the national aspects in the question of reunification.

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(5) Just as he was intransigent in regard to substance, Ulbricht was flexible in regard to the methods and used relatively moderate language, thus following the line which appears to have determined the communist policy on Germany since his visit to the Soviet Union at the beginning of November. The conversion of West-Berlin into a "peaceful and neutral" city under the flag of the United Nations is now to be brought about "step by step".

(6) When the problem of interzonal trade negotiations about which we recently reported to the Council was discussed it became evident that the tactics pursued by Pankow during these negotiations primarily serve the purpose of inducing the Federal Government and the Berlin Senate to take up political contacts with the Soviet Zone independently of each other. The economic interests of the Soviet Zone in these negotiations were given less emphasis in Ulbricht's speech. As far as the questions of political contacts and of maintaining the link between the interzonal trade talks and the problem of visitors' passes are concerned we shall continue our present tactics for the reason - among other things - that we wish to determine how strongly the Soviet Zone is actually interested in trade negotiations.

(7) The events at the SED Party Congress show that Ulbricht has managed to strengthen his position further.

II.

Soviet Policy on Germany and Berlin in the light of Khrushchev's statements at the SED Party Congress in Berlin

(1) In his speech made to the SED Party Congress on 16 January 1963 Khrushchev essentially undertakes a reappraisal of the significance of a peace treaty for Soviet Policy. According to Khrushchev important changes have taken place since the USSR raised the question of a peace treaty, and he goes on to say that by building the Wall in Berlin the Pankow regime had practically accomplished everything which it could have obtained through a peace treaty. In this

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connection he clearly refers to the continued vulnerability of the access routes to Berlin. Khrushchev describes the fencing-in of the Germans in the Soviet Zone as the most important step towards the consolidation of "the sovereignty of the DDR".

In spite of his dialectic interpretation Khrushchev is not in a position to assert that the Soviet Zone had now also been given that improvement of its status which would place it at the same level as the Federal Republic and which the Soviets sought to procure for it by means of a peace treaty. Khrushchev rather refers the Soviet Zone back to its own methods by advocating a policy of peaceful coexistence between "the two German states", which he describes as a matter of "the greatest international importance". In this light the seven-point plan proposed by Ulbricht in his speech of 15 January 1963 which aims at this improvement in the status of the Soviet Zone appears understandable. As has been previously said in the Council, the following statement by Khrushchev is significant of his reappraisal of the importance of the peace treaty:

"Under the aspect of the immediate interests of the socialist countries the conclusion of a German peace treaty is, indeed, no longer the same problem as it was before the protective measures were taken along the frontier between the DDR and West-Berlin."

In this way Khrushchev attempts to free himself at least partly from a self-imposed obligation vis-à-vis the Soviet Zone and the other communist countries. Although this obligation has never determined Khrushchev's policy to a large extent it cannot be denied that the continuous "unjustified" non-fulfilment of his promises was detrimental to his reputation in the communist camp. It is true that Peking will hardly follow Khrushchev's new interpretation of the situation. However, this would in our opinion not be of decisive importance for Khrushchev's future actions since he has up to now pursued his policy on Germany and Berlin entirely independently of the views of Peking and the European satellites.

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(2) Obviously under the impression of the lessons of the Cuban crisis Khrushchev is endeavouring to eliminate the dangers inherent in the German problem and to place that problem among those existing between East and West which - like disarmament - have a global nature. In his speech he said, inter alia:

"It is the German question which increases tensions and the danger of a collision between the two worlds, the world of socialism and the world of imperialism".

The separate peace treaty is mentioned in the most cautious form hitherto chosen: He gives his agreement to the conclusion of the peace treaty "with the two German states or with one of them". As far as Berlin is concerned Khrushchev repeats - as was already stated in the Council - his proposal about the United Nations' flag which we already know from his speech before the Supreme Soviet on 12 December 1962. Without any special emphasis he states his view that these questions will find their solution "in the not too distant future".

The shift of emphasis and the new moderation of the Soviet position also finds its expression in the "struggle for peace" which Khrushchev advocates in his speech and of which he says that "it has become the most important condition of the fight for socialism". Not a single problem could be viewed in isolation from this struggle and from the prevention of a nuclear world war. Khrushchev paints a dramatic picture of the consequences of a nuclear war also for the communist camp, and he does not deny that also the major towns in the USSR and China would be destroyed. By mentioning the dangers of a nuclear war for the communist camp and by making the dogmatic statement that communism did not need war and should not offer the imperialists any opportunity to unleash it, Khrushchev apparently intended to identify the limits which are set to the Soviet policy on Germany and Berlin.

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(3) While in the past Khrushchev emphatically opposed the establishment of any link with the German question he now links up the peace settlement with the problem of disarmament. In its memorandum to the Federal Government of 17 February 1961 the Soviet Government had still stated: "The attempts to link up these important international questions (peace treaty and disarmament) with each other can only mean one thing: the desire to prevent the solution of either of these questions."

It cannot yet be said which aim Khrushchev is pursuing by this link. It may be that he wants to include the question of the peace treaty in the pressure which the world public interested in disarmament may bring to bear on the West, or it may be possible that he has in mind partial measures in the field of disarmament (such as a zone in Europe having a special military status) or he may simply be playing for time. In our experience it may be justified to presume that Khrushchev himself has not made any final decision and has only adopted a new position in order to see later how it can be exploited.

(4) In our opinion it can be assumed that the Soviets will continue their present policy in regard to the peace treaty, although it may be expected that this will be done with greater caution and less willingness to run risks. However, a certain change in tactics cannot be overlooked. While since 1961 (when Gromyko had his talks in the United States) the improvement of the status of the Soviet Zone had been actively pursued by the Soviet Union, Khrushchev has now imposed upon the Soviet Zone the task of achieving this improvement in status by its own efforts through "peaceful coexistence" with the Federal Republic. Although threats to free access to Berlin can still be used as a lever, Khrushchev cannot hope that any threats concerning the interruption of access will at present have the same effects as before Cuba.

III.

In these circumstances we see no reason to expect dramatic Soviet steps in the German and Berlin question in the near future. Furthermore, we believe that the likelihood of a Soviet attempt to approach the Federal Republic bilaterally is not very great. On the other hand, there is every indication that the Soviets will try to achieve a more comprehensive *modus vivendi* through direct talks with the United States.

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