
At the commission of the Ministry of Foreign Affairs of the USSR, we submit the observations of the Embassy on the position of the GDR government on the peaceful regulation of the German problem and our considerations on this issue.

Our German friends, as you know, support the Soviet position on concluding a peace treaty with the two German states and the resolution on this basis of the West Berlin issue by granting it the status of a demilitarized free city.

An analysis of the development of the international situation after the publication of the Soviet proposals on a peace treaty with Germany confirms more and more that Soviet proposals have led to a great weakening of the position of the Western powers on the German question and has led to a further strengthening of the international authority of the GDR. Our German friends also share this conclusion.

The GDR government fully approved of the Soviet aide-memoire and the proposals contained in it, which was sent to the FRG on February 17, 1961. As W. Ulbricht remarked at the meeting of the Political Consultative Committee of the Warsaw Pact (March 1961), these proposals fully correspond to the peace policy of the GDR and the national interests of the German people.

Although on the issue of concluding a peace treaty with two German states, the GDR's position fully corresponds to the Soviet proposals, on the question of concluding a peace treaty with the GDR and on tactics regarding West Berlin, our friends do not always stick to the precise line and allow some vacillation.

Agreeing in principle with the Soviet proposals on concluding a peace treaty with the GDR, our friends at the same time show a clear inconsistency on this issue. Due to prestige considerations, they support the speedy conclusion of a peace treaty with the GDR, having in mind that the conclusion of such a treaty would allow our friends to have the right of full control over all GDR territory, including full control over the links* between West Berlin and the FRG that go through the GDR.

Our friends have expressed their view more than once that they are absolutely not satisfied with the current situation of the GDR, in which the GDR does not have freedom of action in Berlin and over the links between the GDR and the FRG. Moreover, some GDR leaders maintain that the absence of a peace treaty with it leads to a direct violation of the sovereignty of the Republic by the member-states of NATO.

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* The Soviets use the term "kommunikatsii" to refer to the transit routes, air corridors, and all such links between West Berlin and West Germany
Our friends would like to establish now such control on the sectorial border between Democratic and West Berlin which would allow them to, as they say, close "the door to the West," reduce the exodus of the population from the Republic, and weaken the influence of economic conspiracy against the GDR, which is carried out directly from West Berlin.

Trying to liquidate the remnants of the occupation period as soon as possible, our German friends sometimes exercise impatience and a somewhat one-sided approach to this problem, not always studying the interests of the entire socialist camp or the international situation at the given moment. Evidence of this, for example, is their effort to stop free movement between the GDR and West Berlin as soon as possible with any means, which in the present conditions would complicate carrying out the struggle for a peace treaty. Recognizing the correctness of our position that the liquidation of the remains of the occupation period is possible only on the basis of a peace treaty, our friends therefore urge a speedy conclusion of a peace treaty with the GDR.

They also suggest that a peace treaty with the GDR would assure them the possibility of entering into direct negotiations with the Western powers and the West Berlin senate with the goal of concluding an agreement regarding such questions as the use of GDR links [with the FRG] for the needs of the Western powers, disbanding all subversive and espionage organizations in West Berlin, a ban on applying FRG legislation to West Berlin, and a ban on any military production in West Berlin and on Bundeswehr recruiting. In the opinion of our friends, agreements on some of these issues could also be reached with the FRG. In other words, they propose that after the Soviet Union, and other states who are prepared, sign a peace treaty with the GDR, the Western powers and the West Berlin senate will be forced to enter negotiations with the GDR on resolving all issues of interest to them regarding West Berlin by concluding agreements with the GDR.

The realization of these measures, as our friends believe, must lead in the end to de facto recognition of the GDR by the Western powers.

On the other hand, some leading figures in the GDR, recognizing the necessity of a peace treaty with the republic, express the fear that this act would present the GDR to the world public as the party responsible for the division of Germany, which would negatively affect the authority of the GDR as the consistent defender of the national interests of the whole German people. In addition, some believe that concluding a peace treaty with the GDR would not resolve such an important national task of the German people as staving off West German militarism.

This clear inconsistency on the part of our friends also appears on the issue of West Berlin. It is expressed in their restrained attitude toward the measures of the Soviet embassy, and also the embassies of other socialist countries in the GDR [as well in] (Czechoslovakia and Poland), on the development of direct contacts with West Berlin.

Coming out in support of concluding a peace treaty with the GDR, our friends also say that the GDR and even the Soviet Union is not ready economically for the conclusion of a peace treaty with the GDR. They display their obvious preoccupation with the possibility of an economic blockade of the Republic by the Western powers and the FRG in the event of the signing of such a treaty. As you know, GDR industry at the present time is significantly
dependent on the FRG supply of a variety of very scarce metals--certain types of rolled iron, pipes, chemicals, forgings, cast iron and replenished equipment.

Considering that neither in this year nor in 1962 will the Soviet Union and other socialist countries be in a position to completely satisfy all the declared needs of the GDR in these materials, and also considering the necessity of seriously reconstructing the mechanical engineering industry of the GDR so as to liberate it from economic dependence on the FRG, our friends have grounds for concern about possible difficulties in connection with concluding a peace treaty with the GDR.

The GDR needs a certain period of time for the reconstruction of its economy with the goal of liquidating the dependence of GDR industry on supplies of scarce materials and many types of raw materials from the FRG and other capitalist countries. With regard to the economic situation of the Republic, we also should not underestimate the fact that in the GDR it was only a year ago, and in an extremely condensed time, that the complete collectivization of agriculture was carried out. The emergence of socialist production relations in GDR agriculture is only at the most rudimentary stage and needs, of course, a certain amount of time for its further development and consolidation.

These considerations have their direct relation to the internal political situation of the Republic, which also needs to be considered in signing a peace treaty with the GDR. Our friends so far do not have a clear sense of how the conclusion of peace treaty will affect the mood of the workers, in so far as separate sections of the population correctly perceive the conclusion of a peace treaty with the GDR. As you know, among some parts of the Republic's population, especially among the intelligentsia, there are strong views against the conclusion of a peace treaty with the GDR.

The inconsistency of our German friends on the issue of concluding a peace treaty with the GDR is to be explained to a significant degree by the difficult situation in which the GDR finds itself. All of this should be studied to determine the moment to sign a peace treaty with the GDR.

Proceeding from all of this, the Soviet embassy would consider it necessary to strive for the following in the forthcoming talks on the German question:

1. In the situation which has been established, it would be useful to come to a provisional solution with the Western powers, to which the latter (the West) could possibly agree. Concretely, this could flow from the provisional agreement on West Berlin, the preconditions for which were outlined already during the Geneva conference of foreign ministers in 1959.

This, of course, does not mean that we must in any way weaken our demands for the speedy conclusion of a peace treaty with Germany. We should also put before the Western powers the question of the conclusion of a peace treaty with both German governments. However, I must add that realistically we can now only count on achieving agreement on a temporary, provisional settlement on West Berlin, which the Western powers and even the GDR support to a certain extent.
The conclusion of a temporary agreement on West Berlin would give us important advantages. For the time of its operation, we could carry out the necessary measures for liquidating the present existing serious dependence of the GDR on West German supplies of a series of scarce raw materials and thus be prepared for possible economic sanctions by the West in response to the signing of a peace treaty with the GDR. In addition, a provisional resolution of the West Berlin issue would give us time to strengthen the domestic political situation of the GDR.

We would also have a great domestic political victory, in so far as the signing of a temporary agreement would show that the current legal position of West Berlin does not correspond to the new conditions. Our thesis about the abnormal situation of West Berlin and the necessity of its change would in this way receive broader recognition, which would strengthen the Soviet position on the German question as a whole.

2. During the possible talks with the Western powers on a provisional agreement on West Berlin, we should, of course, proceed from the Soviet proposals which were made at Geneva in 1959 at the conference of foreign ministers.

As the conference in Geneva showed, the more serious differences of opinion between the Soviet Union and the Western powers appeared on 2 points, namely--on the issue of the rights of the Western powers in relation to West Berlin during the period of the provisional agreement and on the question of creating an all-German committee from representatives of the GDR and FRG for the preparation of a draft German peace treaty.

We can say with certainty that the Western powers now also will not agree to a temporary agreement which would fix in any way a juridical recognition by them of the thesis of two German states, and it is also hard to expect their agreement in the future on concluding a peace treaty with two German states.

Considering this situation, in the new talks with the West we could refrain from insisting on the inclusion in the temporary agreement of the point on the creation of an all-German committee from representatives of both parts of Germany. However, we should propose such a formulation which would preserve the connection of the temporary agreement to the necessity of the agreement of the sides concerning the conclusion of a German peace treaty in the future and at the same time which would to a certain degree be a concession to the Western powers. We could propose, for example, the following formulation:

"During the period of operation of the agreement, the negotiating sides continue (with the drawing in of the German representatives) the exchange of opinions on issues connected with the preparation and conclusion of a peace treaty with Germany.

If in the expiration of time of the activity of the temporary agreement an agreement is not reached on these questions, then the governments represented at the conference will carry out new negotiations on the West Berlin issue."

In discussions on this formulation there could be some changes made in it, namely--to speak about an exchange of opinions "on questions, which are connected with Germany, including
a peace treaty with Germany and the Berlin question," since this was formulated in the
communique of the 1959 Geneva conference.

The proposed formulation does not change our principled position on the question of a
peace settlement with Germany. It does not weaken the urgency of the problem of a peace
settlement with Germany, since it connects the temporary agreement with the proposal of an
exchange of views between the four powers on this problem. In such a way, we would
preserve for ourselves the possibility at any time after the expiration of the time of operation of
the temporary agreement to raise the question of a German peace treaty and to conclude a peace
treaty with the GDR, if an agreement was not reached on concluding a peace treaty with both
German states.

We must take into account also the possibility that the Western powers could refuse to
include such a point in the text of the provisional agreement. In this event, we could propose
removing such an agreement from the joint communique. The essence of the matter would not be
changed by this.

Considering that a temporary agreement would be a serious step towards normalizing the
situation in West Berlin, we could even refrain from demanding a fixed obligation from the
Western powers regarding their agreement to the conclusion of a German peace treaty. Besides,
the absence of such an obligation does not deprive us of the right, both while the temporary
agreement is in effect, and also especially after its expiration, of demanding from the Western
powers negotiations to conclude a German peace treaty. We could fix this position in a unilateral
way, making the corresponding statement during the signing of the temporary agreement. In this
statement we could emphasize that we consider the temporary agreement an interim step in
negotiations on the question of the peace settlement with Germany and we will insist also in the
future on the conclusion of a German peace treaty. We could demand that this statement be
regarded as an official document of the conference.

3. We believe it would be useful to raise with the Western powers the question of creating a
committee of representatives of the four powers, which would be charged with preparing a draft
peace treaty with Germany. For this, adding representatives of both parts of Germany to the
work of the committee could also be considered. The activity of such a committee would be
advantageous to us. It would allow us to keep attention focused on the problem of a German
peace treaty, constantly maintaining it in the field of vision of the world opinion. In statements in
connection with the activity of such a committee we could actively continue the propaganda of
our proposals on the peaceful resolution with Germany.

Putting forward the proposal about such a committee, we at the same time would show
world opinion that the Soviet Union is utilizing all possibilities for the resolution of the problem of
a German peace treaty through negotiations.

4. In negotiations about a temporary agreement, the three powers could again raise with us the
question of what rights would remain for them in West Berlin during the time of operation of the
temporary agreement. To this the Soviet side could say that the cessation of operation of the
temporary agreement would not lead to an automatic abolition of the remaining occupation rights
of the three powers in West Berlin. At the same time we should declare that if further
negotiations on the conclusion of a German peace treaty do not lead to a positive result, then the
Soviet Union, together with other governments which are ready, would sign a peace treaty with
the GDR, which would put an end to the occupation regime in West Berlin. Thus, the rights of
the Western powers in Berlin would be preserved until the conclusion of a peace treaty with the
GDR. Such a statement would confirm our position regarding the occupation regime in West
Berlin.

5. If the Western powers refuse to sign a temporary agreement on West Berlin, then we will have
to resolve the West Berlin question on the basis of the conclusion of a peace treaty with the GDR.

In so far as that decision will lead first of all to a certain aggravation of the international
situation, it would be very important for us in these conditions to weaken the political reaction of
the West to the peace treaty with the GDR. To this end, we should demonstrate again the efforts
of the Soviet Union to resolve the West Berlin issue through negotiations with the three powers.
The Soviet Union could also declare at the appropriate moment that in the period of preparing for
the conclusion of a peace treaty with the GDR, the USSR would also be ready to have
negotiations with the Western powers concerning the resolution of the West Berlin issue on the
basis of granting it the status of a demilitarized free city. Such a proposal would mean that the
Soviet Union wanted to agree on the liquidation of the occupation regime in West Berlin in
consideration of the interests of all sides. Posing the questions this way would exert an influence
favorable to us on international opinion and, most of all, on neutral countries. It would be clear to
world opinion that the Soviet Union wanted to use the maximum possibility for the resolution of
disputed questions through negotiations with the interested sides.

It would be hard for the Western powers to refuse this proposal, since it would not force
them to openly recognize the GDR and would not demand from them the simultaneous signing of
a peace treaty with two German governments or the GDR.

If we succeed in reaching a mutually beneficial agreement with the three powers on West
Berlin, the GDR would receive the opportunity to carry out under normal conditions all measures
for the reconstruction of its economy and would strengthen the political situation in the country
even more and raise its international authority as a sovereign government.

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