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Prospects for Soviet–West German Relations

A Research Paper

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Prospects for Soviet-West German Relations

Summary

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Soviet-West German relations in the coming year are likely to feature a continuation of both verbal acrimony and substantive cooperation. In recent years, bilateral relations have suffered a series of jolts that has turned the relatively friendly atmosphere of the 1970s into a tense and sometimes bitter climate in the 1980s:

- In October 1982 a center-right coalition government led by Helmut Kohl came to power in Bonn, ending 13 years of Social Democratic dominated rule in which the policy of *Ostpolitik* flourished.
- In 1983 a long campaign of Soviet persuasion and intimidation failed to block the Kohl government's plans to permit INF deployments to go forward on schedule. The Soviets had warned that political and economic relations with Bonn would suffer if the missiles were deployed.
- In 1984, after a brief period of relative calm in relations, Moscow unleashed a barrage of propaganda attacking the West German Government's alleged revanchist and militarist ambitions. Moscow also intervened to block Bonn's efforts to improve ties with Eastern Europe, apparently putting pressure on both East German leader Honecker and Bulgarian leader Zhivkov to postpone visits to Bonn scheduled for the fall of 1984.

Despite these setbacks, both sides have allowed the practical aspects of bilateral relations to continue uninterrupted. Moscow and Bonn continue to have a strong interest in political dialogue and economic cooperation, providing a certain amount of stability to their relationship:

- From Moscow's perspective, West Germany is the linchpin of the NATO Alliance in Europe, and the pursuit of a dialogue aimed at luring West Germans away from close support of Alliance policies remains a central long-term Soviet foreign policy objective. West Germany is also Moscow's largest source of hard currency and a major Soviet source of Western technology.
- West Germany, because of its ties with East Germany and location along the border between East and West, remains fundamentally committed to dialogue and cooperation aimed at reducing East-West tensions. Bonn realizes that its relations with Moscow ultimately influence the extent of its ties to East Germany. In addition, the West Germans are eager to continue expanding trade with the USSR because they believe this will

both help overcome East-West tensions and ease domestic unemployment. Although trade with the USSR accounts for only a small part of overall economic activity, several industries, including steel, could be hurt by a cutback in Soviet purchasing.

At the same time, the interests of Bonn and Moscow diverge on a number of issues such as Berlin, the fate of ethnic Germans in the USSR, and European security. Such issues serve as persistent sources of friction in the bilateral relationship and, given the unequal power relationship between the two countries, provide Moscow with some leverage on issues of major importance to Bonn. Soviet actions in 1984 affecting Allied access in and around Berlin may have been, at least in part, reminders to Bonn and the West of the costs of East-West tensions.

Moscow, however, has missed some important opportunities to advance its own interests in dealing with the West Germans. Whereas government and opposition parties in 1983 were polarized over security policy as a result of the bitter INF debate, Moscow's hardline position in 1984 on the conditions for resumed arms talks and its heavyhanded anti-German propaganda have helped undercut the peace movement, forced the Social Democrats to defend the Kohl government—and its intra-German policy—from charges of revanchism, and made it politically easier for Kohl to support US policies.

The Kohl government seems determined and capable—at least for the time being—of resisting pressure from the political opposition to take initiatives beyond simple calls for greater East-West dialogue to improve bilateral relations. From the government's standpoint, improved bilateral relations are somewhat less important now than they were only a few years ago, when they more clearly were a prerequisite to closer intra-German relations and expanded ties with Eastern Europe. Still, despite the Kohl government's irritation with Soviet heavyhandedness, it will not want to do anything to provoke Moscow. If Moscow indicates a readiness for a thaw in relations, the West Germans will probably move to exploit it. Bonn also will press its fellow NATO members to respond to any future Soviet arms control initiatives so as to counter any Soviet efforts to gain the propaganda advantage in Western public opinion.

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We believe that, in the near term at least, the frosty climate of Soviet-West German relations is likely to continue. Moscow's anti-German campaign may well culminate in an orgy of patriotic propaganda next May, when the USSR celebrates the 40th anniversary of the victory over fascism. In this sense, Moscow views its propaganda campaign not only as an instrument of pressure against Bonn, but also as a means of rallying its own population and its East European allies to meet what it portrays as a broader politicomilitary challenge from the West. Regardless of how long these attacks continue, the Soviets will be reluctant to jeopardize the practical benefits of bilateral cooperation with West Germany.

Some uncertainties could affect relations more dramatically in the longer term:

- Given Soviet paranoia about the Germans, Moscow will have a difficult time adjusting to changes taking place in West Germany. These include the recent electoral decline of the Social Democratic Party, Bonn's quest for a more prominent role in NATO and in European security discussions, the Kohl government's demands for the removal of remaining vestiges of West Germany's postwar subservience, and Bonn's aggressive efforts to improve intra-German relations.
- Future Soviet leadership changes—and their ripple effect through the foreign policy hierarchy—seem likely to affect the course of bilateral relations. Moscow's propaganda offensive against alleged German revanchism and its effort to force East Germany to curb its incipient rapprochement with Bonn gathered steam after General Secretary Andropov died in February 1984. Both his successor, Chernenko, and Foreign Minister Gromyko—widely believed to be the force behind Moscow's current hard line—are in their seventies and unlikely to be in power more than a few years longer.



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The West Germans -the Social Democrats' rhetoric notwithstanding realize that their room for maneuver between East and West is limited. Nonetheless, a more active and independent West German policy toward the USSR aimed at improving East-West relations and arms control prospects could entail problems for the United States. For example: Alliance disunity could result if the West Germans begin to present alternative views on arms control prospects -derived from their own meetings with the Soviets -in NATO forums.

Ultimately, the climate of Soviet-West German relations may depend on the course of US-Soviet relations. If the latter remain tense and the Kohl government maintains its close support for US positions, Moscow will most likely continue to attack Bonn and press Soviet allies in Eastern Europe to keep their distance. If Moscow perceives US-Soviet arms control negotiations in 1985 to be productive and begins to adopt a more conciliatory approach toward the United States, however, a continued harsh line toward West Germany will be difficult to sustain and, perhaps, undesirable.



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Prospects for Soviet-West German Relations

Changing Relations After INF Deployment

The West German Bundestag's approval of INF deployments in West Germany in November 1983 marked a watershed in Soviet-West German relations. The Soviets had waged a major diplomatic and propaganda campaign to persuade two West German governments to forgo deployments. From Moscow's perspective, the stationing in West Germany of US Pershing II ballistic missiles capable of striking deep into Soviet territory presented serious military and political problems and raised the specter of West German access to NATO nuclear weapons. The Christian Democratic (CDU/CSU)-Free Democratic (FDP) coalition government of Chancellor Helmut Kohl was determined to follow through on former Social Democratic Party (SPD) Chancellor Schmidt's commitment to deploy the missiles in the absence of an arms control agreement, even as the SPD backtracked on INF. Bonn fully realized, however, that deployments could bring a chill to East-West and Soviet-West German relations and jeopardize the important humanitarian gains made over the last decade in intra-German relations:

The Soviet-West German relationship since INF deployments began has become more complex. On the one hand, the climate of bilateral relations has worsened considerably. This has been most evident in Moscow's harsh rhetoric alleging a resurgence of revanchist sentiment in the Federal Republic. At the same time, the Soviets have permitted the practical aspects of bilateral relations—economic cooperation and political meetings—to continue uninterrupted, within previous limits:

The readiness of some East European countries—most notably East Germany, Hungary, and Bulgaria—to maintain a dialogue with West Germany encouraged Bonn to pursue closer relations with them despite obvious Soviet misgivings. Bonn's *Ostpolitik* has come a long way from the days when the prevailing view was that the road to Eastern Europe went through Moscow. Nevertheless, Moscow's clear role in the postponement of visits last fall to West Germany by East German leader Erich Honecker and

Bulgarian leader Todor Zhivkov drove home the fact that, in conducting relations with Eastern Europe, Bonn cannot ignore Soviet interests.

Despite Moscow's obvious ability to control certain actions of its allies, we believe that its behavior over the last year—especially its inability to respond consistently to West German policy—has reduced Soviet influence in West Germany. In particular, Moscow has been unable to reconcile its desire to punish Bonn for accepting INF deployments with its desire to exploit West German offers for a continuation of detente, which the Soviets probably believe could foster longer term divisions between Bonn and Washington. The West Germans have pursued their foreign policy goals without suffering a precipitate decline in relations with Moscow because the Soviets have been unwilling to sacrifice the substance of their bilateral relations with Bonn to curb tendencies they find displeasing.

Moscow Responds to Bonn's Assertiveness

The Kohl government began to pursue "German interests" in its foreign policy more assertively following the onset of INF deployments. The long INF debate had ruptured the decades-old consensus between the major parties on security issues and fueled public concern that West Germany was not in control of its own destiny. The Kohl government was anxious about the potential dangers these sentiments could pose to West Germany's long-term reliability as a NATO Ally and moved quickly to restore some semblance of a consensus between the governing coalition and the opposition SPD. West Germany's

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Moscow's Initial View
of Chancellor Kohl's Government

Moscow's early ambivalence toward the Kohl government was evident in divergent themes that emerged in Soviet media commentary after the new coalition took office in October 1982. Most commentators were cautious, predicting a swing to the right in domestic policy but no significant shift in Bonn's foreign policy. *Izvestiya's* Aleksandr Boyin was perhaps most sanguine, declaring on Soviet television on 17 October that for "political" and "geopolitical" reasons Bonn had no choice but to continue cooperation with the Soviet Bloc. Boyin added, however, that although Kohl hoped to achieve a "synthesis" of Adenauer's pro-US policies and Brandt's Ostpolitik, West German policy was likely to look more like Adenauer's than Brandt's.

Literaturnaya Gazeta's Bonn correspondent, Anatoliy Frenkin, painted a somewhat starker portrait of West German foreign policy under Kohl in the 13 October issue of the weekly newspaper. Frenkin predicted that changes would take place, given the political proclivities of the conservative politicians coming into office. He voiced particular alarm over the potential influence of CSU Chairman Franz Josef Strauss. Frenkin said that the government changeover marked the end of the Eastern policies of Brandt and predicted that West Germany would harken back to its line toward East Germany in particular.

The Soviets were apparently more anxious in private over the implications of the political change in Bonn. Ukrainian party boss Vladimir Shcherbitskiy told CPSU Politburo and Central Committee were consciously reluctant to comment publicly on the situation.

Shcherbitskiy was insistent that the United States had caused the political crisis to put an end to Ostpolitik and facilitate Pershing II deployments.

new assertiveness has manifested itself in several ways.

- Following the lead of French President Francois Mitterrand, the Kohl government has been seeking to strengthen European defense cooperation through bilateral arms production agreements and a revitalization of the Western European Union (WEU).
- To remove the vestiges of subservience to its Allies, Bonn requested and received a WEU decision in June to remove the remaining restrictions on West German conventional armaments.
- The Kohl government actively - and with some success - has pushed for improved intra-German relations, and in its public rhetoric has emphasized that the "German Question" remains open.

We believe the Kohl government's actions have worked to ameliorate the damage caused by the INF debate and, indeed, to create the appearance of a new consensus on at least some aspects of foreign and security policy. Almost all of the government's actions on intra-German relations and European cooperation have been supported by the SPD.

Moscow did not embark on its harsh policy toward West Germany immediately following INF deployments. Despite their earlier threats to freeze relations, the Soviets indicated that their dialogue with Bonn might continue without interruption or undue acrimony. Soviet Foreign Minister Andrey Gromyko met with West German Foreign Minister Hans-Dietrich Genscher at the opening of the Conference on Disarmament in Europe (CDE) in January 1984, and General Secretary Konstantin Chernenko received Kohl in Moscow at the time of Yuriy Andropov's funeral in February. These meetings were reported to have been businesslike and not unusually discordant.

The Soviets became increasingly annoyed and alarmed, however, at West Germany's assertive behavior. In particular, the rapid pace of events in the intra-German sphere in the first few months of 1984 and Kohl's public statements denying the Soviet

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theme that East-West relations were suffering as a result of INF deployments seemed to increase Moscow's interest in making a dramatic gesture to underscore the changed East-West climate

In response, Moscow unleashed its "revanchism" campaign in the spring and summer, and the atmosphere of Soviet-West German political relations began to worsen. The volume of Moscow's propaganda concerning a possible revival of West German revanchism and militarism took a significant leap in April and May. Soviet media became filled with

discussions of the alleged rebirth in West Germany of a determination to restore German hegemony in Europe, West German efforts to undermine East Germany, and the danger of rising neo-Nazi sentiment in Europe at large.

When Genscher went to Moscow for talks in late May, Gromyko took a harsher line than he had during a meeting in January. Gromyko upbraided West Germany for supporting

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US policies and replayed propaganda charges about an alleged revival of revanchism in the Federal Republic. At the same time, the Soviets remained comparatively circumspect on bilateral questions. They agreed to attend a West German-sponsored East-West environmental conference in late June and appeared willing to be more flexible on the longstanding difference over participation of West Berliners in bilateral Soviet-West German agreements.

Soviet rhetoric grew even more shrill in the summer months in reaction to the WEU decision lifting restrictions on Bonn's right to produce long-range offensive weapons. The Soviets mounted a campaign of both public and private pressure directed not only at Bonn, but at West Germany's allies as well. In late June top Soviet officials told

that the revival of the WEU would only serve to strengthen revanchist trends in West Germany. In July the Soviet Government delivered a memorandum to West Germany protesting the WEU decision, and Moscow made related demarches to other WEU members and to the United States. In subsequent public and private statements, the Soviets warned that they would act "independently" to prevent a recurrence of the German military threat if the Western powers did not constrain their West German ally.

In late July the Soviets decided to publicize more directly their disquiet over the proliferation of intra-German ties. Soviet concern apparently was increased by Bonn's tacit claim to have secured East German humanitarian concessions in exchange for the \$330 million loan-guarantee it announced on 25 July. Two days after Bonn announced the loan guarantee, *Pravda* published an article by veteran German affairs writer Lev Bezymenskiy warning that Bonn was trying to undermine East German sovereignty by using "economic levers and political contacts" to solicit concessions on "matters of principle." *Pravda* repeated the attack on 2 August in an unsigned commentary, a device frequently used to convey authoritative view.

In September, Honecker, apparently responding to Soviet pressure, postponed a long-anticipated visit to West Germany scheduled for the end of the month. Shortly afterward, Zhivkov announced that he, too, would be unable to go to West Germany as planned in September. Zhivkov made his announcement the day

after meeting with Soviet Politburo member Gorbachev in Sofia.

The Soviets continued their strident attacks on West Germany through the remainder of the year, often choosing occasions when the message would not be lost on the East Europeans. In early October, Gromyko emphasized Bonn's alleged revanchist ambitions in a speech in East Berlin commemorating the 35th anniversary of the founding of East Germany. Clearly following the Soviet lead, the Warsaw Pact foreign ministers' communique on 4 December claimed that West German revanchism was hindering the establishment of better relations between European states. On 6 December the Soviet representative to the mutual and balanced force reduction (MBFR) talks in Vienna made an unusual attack on Bonn during a plenary meeting. He cited Bonn's positions on MBFR and conventional defense, as well as INF and the lifting of WEU restrictions on West German arms production, as evidence of increased West German militarism. The Soviet representative to the Conference on Disarmament in Europe (CDE) unexpectedly made a similar attack on Bonn in a 14 December session marking the close of the conference's regular session.

Motives for Moscow's Behavior

Moscow's pressure tactics against Bonn apparently have been designed not only to punish it for accepting INF deployment, but also to preempt the emergence of West Germany as a more powerful and independent actor in either political or military terms on the European scene. Viewed in conjunction with INF deployments, Bonn's push for a prominent role in European defense planning and its aggressive courting of East Germany have aroused Moscow's historical fears of a recurrence of the German threat.

Moscow also has tried to generate political pressure on the Western powers to exercise greater control over their German ally. Soviet criticism of efforts to promote "European defense" suggests that Moscow may be concerned that a perceived loosening of US and NATO reins on Bonn in this manner could work against longer-term Soviet interests and objectives in Europe.

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Moscow's attacks on Bonn probably have been targeted at Eastern Europe and the Soviet public as well. By evoking dreaded images of Germany's past, Moscow has reinforced the theme that East-West relations have reached an unprecedented level of danger, thereby justifying its obstreperous approach to dealing with the West and its demands for greater sacrifice at home and increased Bloc unity. Soviet propaganda attacks last summer on West German motives in dealing with East Germany were clearly aimed as much at East Berlin as Bonn. Moscow may also have seen the supposed German threat as an especially useful bogeyman for diverting public opinion in Poland from the regime's internal problems. Both Soviet Premier Nikolay Tikhonov and Polish leader Wojciech Jaruzelski made the threat of German revanchism a central theme in speeches to the Polish Sejm on 21 July.

The Soviets have probably been concerned that Bonn is trying to exploit East European fears concerning the effects of US-Soviet tensions on their own relations with the West. Genscher publicly called on the smaller states of Europe to play a role in overcoming the East-West chill, a position that has some support in Eastern Europe despite apparent Soviet opposition. Indeed, Moscow's differences with some of its allies over the issue spilled into public in April 1984, when a Soviet magazine took the unusual step of reprinting a Czechoslovak newspaper attack on views expressed earlier in the year by Hungarian party secretary Matyas Szuros. Szuros had endorsed the idea that smaller European states should play a mediating role between the "great powers," a position the Czechoslovaks—and, indirectly, the Soviets—labeled a "peculiar" distortion of Communist "internationalist" obligations. East Germany signaled its support for Hungary's position by reprinting in *Neues Deutschland* Szuros's rejoinder to the Czechoslovak attack—originally published in the Budapest daily *Magyar Hirlop*.

The issue later reappeared in the more specific context of intra-German relations. In an interview published in *Neues Deutschland* in August, Honecker said that relations between East and West Germany could have a positive effect on the situation in Europe and that East Berlin wanted to limit the damage that INF deployments had done to East-West relations.

The Soviet party daily *Pravda* published a lengthy report on Honecker's statement but failed to reprint these remarks.

The economic benefits for East European countries of trade with the West have compounded Moscow's difficulty in maintaining Bloc cohesion, a point of vulnerability clearly recognized by the West Germans. Last year, East Germany, Hungary, Romania, and Bulgaria all had indicated to Bonn they were interested in increasing trade with West Germany. Chancellor Kohl perceived that this could be an advantage for the West if the USSR finds it more difficult to manage its allies. Soviet behavior in the ensuing months almost certainly reflected Moscow's realization of this danger.

The Impact in West Germany

Soviet efforts to punish the West for INF deployments and to constrain West Germany's renaissance in Europe have weakened Moscow's influence and image in the Federal Republic. Polls indicate that many West Germans believed the Soviets were not justified in breaking off the Geneva INF talks. Although the SPD initially took an "I told you so" attitude toward the Soviet walkout, by last spring many party leaders privately were acknowledging frustration about Moscow's inflexible stance on returning to the arms control negotiations, as well as its lack of enthusiasm for preferred SPD positions on arms control such as merging START and INF (see the inset).

The Soviet revanchism campaign, which has been publicized widely in West Germany, has further damaged Moscow's image. Bonn has responded to Soviet charges by emphasizing West Germany's commitment to detente and its belief that reunification and border changes can only come about peacefully. Moreover, government and opposition leaders have insisted that the Soviets implicitly accepted the West German commitment to eventual reunification in a letter of understanding associated with the 1970 Moscow Treaty normalizing bilateral relations. The Soviets have denied any such acknowledgments.

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*Moscow's View of West Germany's
Political Opposition*

The SPD. Moscow has been encouraged by the leftward drift of the Social Democratic Party in recent years. An article published in a Soviet ideological journal in late 1983 observed that the SPD had turned back toward its Marxist roots, citing the revitalization of the party's left wing and the radicalism of its youth movement. The author concluded that, while the Social Democrats are still reformists rather than revolutionaries, the similarity of their views and lexicon with those of "Marxist-Leninists" creates a "basis for constructive dialogue" and raises the possibility of forming a "single action platform."

While the Soviets publicly applauded and privately encouraged the SPD's decision to oppose NATO INF deployments, they have been more ambivalent about recent trends in SPD thinking on security issues. In February 1984, [] a Soviet Embassy official in Bonn raised questions with SPD officials about new security policy proposals being considered by the party. Those proposals, while playing down the role of nuclear weapons in defending Western Europe, called for increased concentration on conventional weapons and for greater efforts at joint West European defense measures. The Soviet official said that although Moscow finds the proposals very interesting, it feels that some aspects need further "clarification." He also expressed concern that the SPD security specialists who authored the proposals had decided to play down opposition to INF deployments.

On the other hand, at the SPD congress in May, CPSU Central Committee official Nikolay Portugalov [] told an SPD foreign policy adviser that he was very encouraged by the congress's position on security issues. Portugalov praised the congress, which endorsed many of the security ideas circulated earlier in the year, for demonstrating a "vision of realism" regarding East-West relations, peace, and the Atlantic Alliance.

[] *The Soviets failed to score points with the SPD during a September 1984 joint conference in Moscow on security issues. The heavyhandedness of Soviet attacks on US and NATO security policies and West German "revanchism" forced the SPD delegation to rise to the defense of both Washington and the Kohl government.*

The Greens. Moscow was slow to respond to the rise of the Green Party as a political force in West Germany but moved to exploit its opposition to INF deployments once the party gained representation in the Bundestag. Candidate Politburo member Boris Ponomarev received a Green delegation in Moscow just prior to the Bundestag vote on INF in November 1983 and, according to an account of the meeting in Pravda, expressed "profound sympathy" for the Greens' participation in the West German antiwar movement and welcomed their "positive assessment" of Soviet peace initiatives. In May 1984 Chernenko personally issued a public reply to a letter on nuclear arms policy from Petra Kelly, a leading figure in the Green Party. Even if the Greens never gain participation in a West German government, Moscow will view them as a useful source of pressure on Bonn to curb military spending and reduce West Germany's commitment to NATO.

At the same time, the Soviets are under no illusions about the ideological reliability of the Greens. Soviet writings have criticized the party for holding the Soviet Union equally responsible with the United States for the arms race. []

[] *Soviet Ambassador to East Germany Kochemasov compared the Greens to groups in postrevolutionary Russia that vacillated between the Reds and the Whites.*

Nevertheless, the Soviets realize that the Greens could become a potent and durable force in West German politics. One Soviet analysis, published in the premier Soviet international relations journal in early 1983, discounted predictions that the Greens would be a "nine-day wonder," arguing that the party had "good possibilities" of gaining "immeasurably bigger successes" in the future. Indeed, the Green Party eclipsed the Free Democratic Party in June 1984 elections for the European parliament and in recent West German state and communal elections. If the present trend continues, the Greens could eventually replace the FDP as the third-largest party in the Bundestag.

Even the Social Democrats have been critical of the revanchism campaign. [

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Indeed, a top CDU official in late July publicly praised the SPD's reaction to the Soviet revanchism charges, including Bahr's stand on the question of German unity. [

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[SPD readers (particularly Bahr and Bundestag Deputy Caucus Chairman Horst Ehmke) continued to defend the Kohl government against revanchism charges during a visit to Moscow in late September.

The Kohl government does not appear to place as high a priority on making concessions to Moscow to improve bilateral relations as do the Social Democrats. [

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In short, Moscow's behavior has undercut those forces in West Germany most critical of the Kohl government's security policy -- notably in the peace movement and political opposition -- who have argued that NATO does not always serve "German interests" and that West Germany is not truly sovereign. They interpreted Moscow's protests against removal of the WEC restrictions on West German arms production as demonstrating that the Soviets are more interested than the Western Allies in keeping the West Germans subservient. And Moscow's role in the cancellation of the Honecker visit showed them that it is the Soviets -- not the Americans and the West Europeans -- who are interested in blocking pursuit of improved intra-German relations.

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Despite their unified rejection of Moscow's revanchism charges, the government and the opposition still differ on how to deal with the Soviet Union, especially since the announcement in early September postponing Honecker's visit. [

] The Kohl government [has shown no nervousness about publicly challenging the Social Democrats. Kohl even complained in public that the Social Democrats had made themselves "useful idiots" of the East by the nature of their reaction to the postponements. West Germans appear to accept that Moscow is responsible for the postponed visits, and there does not appear to be a groundswell of support for making concessions or overtures to Moscow to improve prospects for a Honecker visit.

Ties That Bind: Basic Interests

Despite the emotionally charged atmosphere, the Soviet Union and West Germany retain long-term interests in good bilateral relations. These strong interests provide a stabilizing factor in the overall relationship even when rhetoric turns strident

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Security Interests

Moscow has a long-term interest in weakening West Germany's support for NATO. The Soviets view West Germany as the pivotal NATO member in Western Europe. Its location along the border between East and West ensures that the bulk of NATO forces associated with forward defense will be located on West German territory. This automatically gives the West Germans an important voice in the formation of Alliance policies and makes them a natural target for Soviet exploitation. Moscow no doubt finds it in its own interest to encourage West German advocacy of arms control and detente within NATO and to play on opposition in West Germany to new NATO weapon systems or major new NATO defense programs.

At the same time, the Soviets historically have been fearful of West Germany's coming to play an important role in European security outside NATO. In the 1950s they vehemently opposed the creation of a European Defense Community—a plan for West European military integration that was ultimately vetoed by the French—largely because of concern over West Germany's potential role in the organization. Soviet reaction to Bonn's role in the revitalization of the WEU has been similar, reflecting a continued fear that developments beyond Moscow's control may lead to greater West German independence or actual withdrawal from NATO.

Bonn's security interests in relations with the USSR are equally basic, long term, and unlikely to change. West Germany, because of its location, would suffer enormous damage even in a limited military conflict with the Warsaw Pact. In an age of US-Soviet strategic nuclear parity, Bonn believes it essential to reduce the risks of war—deliberate or accidental—by encouraging East-West dialogue, arms control, and the adoption of confidence-building measures. Public statements by West German officials across the political spectrum indicate an assumption that a broad web of West German economic, cultural, and political ties with the East will reduce tensions, improve mutual understanding, and thereby reduce the risk of conflict.

The West Germans do not believe the Soviet Union would attack Western Europe given NATO's present military capabilities. Despite increased US-Soviet and East-West tensions generally, the West Germans

perceive Moscow as having a continued interest in cooperation with the West. They also have a tendency to listen sympathetically to Soviet concern about perceived or potential areas of inferiority. Public statements by politicians in all parties suggest that many influential West Germans share these views.

The West Germans also realize that although the East Europeans appear to have greater room to maneuver—the Soviets ultimately control the extent to which intra-German reconciliation can occur and West German-East European cooperation can improve. Moscow can encourage progress in intra-German relations, as it did in the early 1970s in the face of reluctance on the part of East Germany's Walter Ulbricht, or it can slow progress, as it did in forcing Helmecker to postpone his visit.

Political Interests

Dialogue. Moscow's historical fear of a German threat actually increases its stake in political ties to Bonn. Indeed, with US-Soviet relations severely strained, Moscow appeared in early 1984 to be trying to demonstrate its ability to maintain a dialogue with West European countries, including West Germany. This was illustrated by the number of high-level visitors invited to Moscow, including Genscher. Bonn also is eager—for domestic political reasons—to demonstrate an ability to maintain a dialogue with the USSR. Indeed, in view of its symbolic importance, the dialogue is viewed as a positive development in itself.

Arms Control. Soviet-West German bilateral discussions over the last few years have been dominated by arms control and security issues. The return to power of the Christian Democrats and their firm commitment to INF deployments diminished Moscow's hopes that Bonn would act as a force for flexibility in NATO circles, but it did not completely eliminate them. The Soviets still hope that their actions will produce domestic pressures on Bonn that will weaken West Germany's support for NATO force modernization plans. The Kohl government generally has defended Alliance positions with

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Ethnic Germans in the USSR

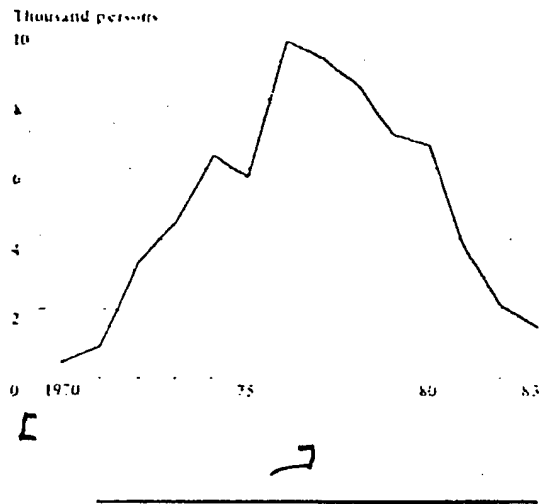
There are 1.9 million ethnic Germans in the USSR. Their ancestors were invited to Russia in the 18th century by Empress Catherine the Great. Although they originally settled in the Volga River region, most were forcibly moved eastward to Kazakhstan after the German invasion in 1941.

The Soviets permitted greater ethnic German emigration following conclusion of the Moscow Treaty in 1970. The number of emigrants peaked during the mid-1970s and fell off sharply during the 1980s (see figure 3). In the late 1970s, 600 to 800 emigrated monthly; during the first six months of 1984 only 455 were permitted to emigrate. In the face of Bonn's repeated protests, the Soviets insist that there are no more ethnic Germans who wish to leave. The West German Red Cross, on the other hand, claims to know of 100,000 ethnic Germans who want to emigrate.

potential emigres face new obstacles: if an application to emigrate is rejected, it must be renewed semiannually. The Soviets were allowing children with parents in West Germany to emigrate, but not parents with children in West Germany. Also ethnic Germans in the USSR and Eastern Europe were being encouraged to emigrate to East Germany.

The ethnic German issue has taken on several new twists. The West Germans in 1982 raised with the Soviets the idea of giving ethnic Germans some semblance of national autonomy. This would include permission for newspapers, schools, and television programming in German. West Germany earlier had avoided discussing treatment of ethnic Germans for fear this would cause Moscow to stop emigration. The Soviets responded that Honecker also had raised the issue with Moscow. The West Germans believe that the Soviets in the future will attempt to deal with West German complaints by claiming that Honecker—a German—is satisfied with the situation.

**Figure 3
Ethnic German Emigration From the
Soviet Union, 1970-83**



Moscow while encouraging Soviet flexibility.

Since last fall, both the government and its opposition have attempted to persuade Moscow to return to nuclear arms negotiations.

Human Rights and Ethnic German Emigration. Bonn's overriding nonsecurity objective in its dealings with Moscow is to increase the number of ethnic Germans permitted to emigrate (see the inset). The number has fallen sharply in recent years, from a high of more than 9,600 in 1976 to 455 during the first six months of 1984. This issue is raised by the West Germans in almost every meeting.

The Soviets were "justifying" their rejection of emigration requests in the fall of 1983 on the basis of Bonn's intention to proceed with INF deployments. Tourist travel requests by ethnic Germans reportedly also were being denied on the same grounds. We believe that the Soviet refusal to permit a higher rate

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of emigration severely worsens the Soviet image in West Germany and—given the political influence of emigre groups—sometimes restricts the conservatives' room for maneuver in dealing with the Soviets. Moscow has given no indication that it is prepared to increase the level of emigration.

Bonn generally makes pro forma protests on other Soviet human rights violations. It apparently does not believe that strong public protests will bring greater Soviet flexibility and seems to fear that Moscow might take an even harder line on ethnic German emigration if it were to play up Soviet human rights violations. The West Germans have raised the case of dissident physicist Andrey Sakharov on several occasions, including Kohl's 1983 meeting with Andropov and Gromyko. Gromyko reportedly responded that in general something could be done in the humanitarian field if cases—such as that of Sakharov—were handled quietly and not played up in the Western media.

Berlin. The Soviets recognize Berlin as a point of vulnerability for West Germany and the West as a whole. In 1984 they took a number of relatively technical actions that, viewed collectively, underscored the city's continued susceptibility to Soviet pressure. While the Soviets do not wish to precipitate another Berlin crisis or undermine the Quadripartite Agreement, we believe their actions were at least in part reminders to Bonn and the West of the costs of East-West tensions.

That Kohl has been closely watching what he considers to be Soviet "salami-slicing tactics" concerning Berlin, especially unilateral changes in air corridor reservations and periodic harassment of Allied military trains. Although Kohl is concerned about these actions, he believes they are primarily a matter for the three wartime Western Allies—the United States, France, and the United Kingdom—to deal with. The Chancellor does not want to publicize the actions in part for fear that this would make West German citizens more hesitant to travel to Berlin.

On a more routine level, the USSR consistently objects to what it perceives as increasing West German efforts to build ties with West Berlin and to

maintain that West Berlin is part of West Germany. Moscow does not formally discuss Berlin issues directly with Bonn. To do so would amount to tacit recognition that West Germany has a role in the city. Moscow addresses its concerns instead to the three other Protective Powers.

Soviet protests to the Allies about West German behavior are nothing new, but their intensity appears to be increasing. The Soviets were particularly incensed by West Berlin's participation in the European Parliament election in June 1984. More recently, Moscow objected strenuously to plans by the West German states to establish a German Cultural Foundation in West Berlin. Given the Kohl government's rhetorical emphasis on West Berlin as legally being a part of the Federal Republic and its commitment to increasing the number of high-level West German visitors there, Moscow will almost certainly continue to accuse Bonn of violating the Quadripartite Agreement.

The West Germans—determined to maintain and strengthen linkages to West Berlin—can be stubborn on this issue. Last May a West German canoe team departed prematurely from a competition in Moscow because the Soviets refused to permit the inclusion of West Berliners in the team. The West German Foreign Ministry interpreted the Soviet action as a hardening of the general Soviet position on inclusion of West Berliners in West German groups. The three outstanding bilateral agreements being negotiated between Moscow and Bonn (Science and Technology Cooperation, Cultural Exchanges, and Legal Assistance) have long been stalemated because the two sides cannot agree on the status of West Berliners.

Environmental Cooperation. Progress is being made with regard to Soviet-West German cooperation on environmental protection.

Working-level experts from both sides met in early September 1984, and four additional meetings have been scheduled for 1985. The first two will address problems of atmospheric pollution; the themes of the other meetings have yet to be decided.

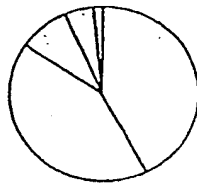
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Figure 4
Structure of West German Trade With the Soviet Union in 1983, by Value

Percent
Exports to USSR

Total - US \$ 4.4 billion

Food-5.1
Chemicals-8.9



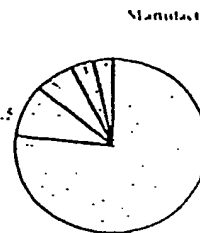
Manufactured goods-41.6

Other-1.8
Machinery-42.4

Imports from USSR

Total - US \$ 4.6 billion

Chemicals-3.8
Other-6.4
Raw materials-9.5



Fuels-76.5

Manufactured goods-3.5

* Excluding machinery
Source: *Statistik*, 1987, p. 6

There are, however, political obstacles to expanded environmental cooperation. **C**

serious work on environmental matters cannot occur without the participation of Berliners since the bulk of West German experts are located in that city (the West German decision in the 1970s to locate the Federal Environmental Office in West Berlin evoked strong Soviet protests). A further requirement for more extensive exchanges, according to the diplomat, is conclusion of the Science and Technology Agreement. The West Germans believe—perhaps too optimistically—that Soviet eagerness to exploit West German scientific expertise on environmental questions will put pressure on Soviet authorities to satisfy Bonn on the Berlin issue so that the agreement can be concluded.

Economic Interests

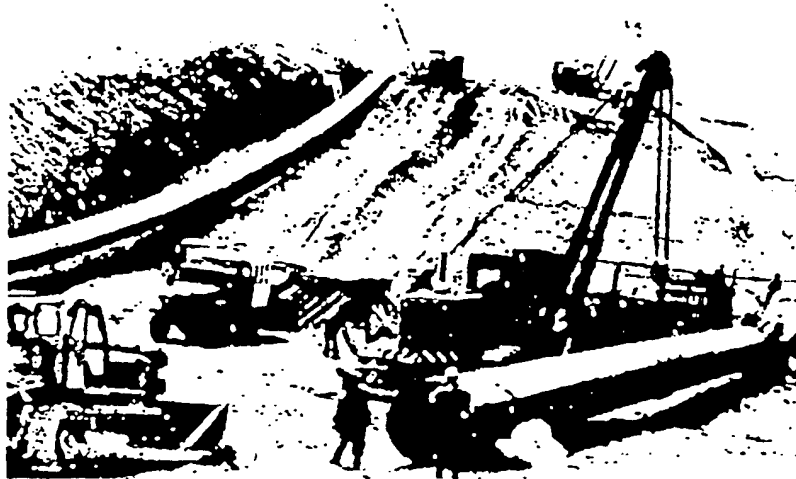
Trade. Moscow may have its greatest stake in economic relations with Bonn. West Germany is Moscow's largest source of hard currency and a major source of Western technology. The value of bilateral trade grew from \$1.1 billion in 1972 to nearly \$10 billion in 1983. Not only does Moscow demonstrate a strong preference for trading with West German suppliers, but West Germany also is the most important Western market for Soviet exports, more than 85

percent of which consist of raw materials, natural gas, crude oil, and oil products (see figure 4)

Moscow relies heavily on West German participation in major construction projects. For example, on the Siberian gas pipeline project, West German firms provided substantial engineering services, nearly half of the large-diameter pipe, and more than one-third of the gas turbines for compressor stations. The West Germans also are providing drilling equipment for a Soviet natural gas field near Astrakhan at the Black Sea. Other active cooperative development projects include modernization and reconstruction of a Soviet papermill, the Oskol electrometallurgical combine, the Sayansk aluminum plant, and supply of train-handling equipment to update and expand existing facilities at several Soviet seaports

In 1983, West German exports to the Soviet Union—more than 90 percent of which are manufactured goods (see figure 4)—jumped 14.2 percent to \$4.4 billion (see figure 6). By comparison, exports to the EC remained flat and sales to OPEC fell by 21 percent. Nonetheless, exports to the USSR in 1983 accounted for only 2.6 percent of total West German

Figure 5. Construction on the Siberian gas pipeline.



exports, still below the high of 3.1 percent in 1976 (see figure 7). During the first half of 1984, West German exports to the USSR were 16.3 percent less than for the same period in 1983. Declining Soviet purchases of manufactured goods—particularly semifinished goods—accounted for 93.7 percent of the drop in exports.

[

] At the end of 1983, Hermes had outstanding guarantees to the USSR totaling 17.5 billion deutsche marks (DM), up from DM 15 billion in 1982. The Soviet Union's share of total outstanding guarantees worldwide rose from 9.1 percent in 1982 to 10.2 percent in 1983.

² Hermes is the semiofficial West German agency that issues export insurance to companies and banks providing credits to countries other than East Germany. [

Sales to the USSR have only a limited impact on overall West German economic activity. In the 1980s, exports to the USSR have constituted about 0.5 percent of total West German GNP. And, according to West German estimates, only about 100,000 workers out of a total work force of more than 27 million are employed directly in producing goods for export to the Soviet Union. ***

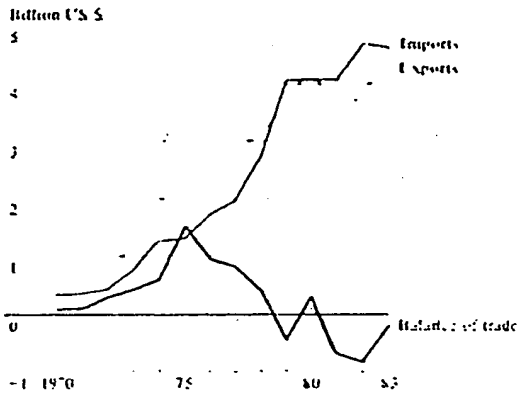
West German exports to the USSR are concentrated in several key industries, however, and a cutoff or disruption could significantly affect a few firms. Plant equipment, large-diameter pipe, and other steel products in 1983 accounted for 60 percent of sales to the Soviets. Exports in general accounted for about 40 percent of West Germany's total steel production and over 45 percent of machine tool production. Soviet purchases alone accounted for about 11 and 9 percent of total steel and machine tool exports, respectively.⁴

⁴ The USSR has been an especially welcome buffer against hard times for West German steel firms. Total production is well below capacity and unemployment in the iron and steel industry currently is running over 20 percent, more than double the overall rate.

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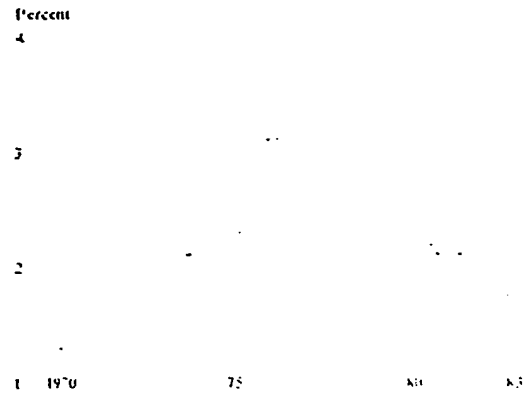
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Figure 6
West Germany: Trade With the Soviet Union, 1970-83



Source: IMF, *Direction of Trade Statistics*.

Figure 7
West Germany: USSR's Share of Total Exports, 1970-83



Source: IMF, *Direction of Trade Statistics*.

During 1983 the value of imports from the Soviet Union declined by 1.3 percent to \$4.6 billion, as compared with the previous year. West German imports of Soviet crude and oil products actually increased in volume, but falling prices held down Soviet revenues (see appendix A). As a result, West Germany's trade balance with the Soviet Union, which had shown large deficits in 1981 and 1982, moved closer to balance in 1983 (see figure 6). This year, however, West Germany's deficit probably will increase again. While exports are declining, total imports from the USSR in the first half of 1984 were up 9.2 percent (led by a 12.2-percent increase in fuel imports) over the same period in 1983.

West German banks helped arrange three credits for the Soviet Union in 1984 totaling more than \$500 million. These include a \$250 million credit extended by a consortium led by Dresdner Bank, a \$100 million credit extended by a Deutsche Bank-led consortium,

and, most recently, a \$162 million credit by an international consortium headed by Commerzbank. The Commerzbank credit, announced in September, has a seven-year maturity with a four-year grace period. C

Prospects for Expanding Trade. Even though the deterioration in East-West relations has not adversely affected bilateral Soviet-West German economic relations, the Soviet economic situation may slow trade expansion in the near term. Soviet exports to the West—hence Soviet hard currency earnings—depend heavily on world energy markets. While the USSR

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managed to expand the volume of its hard currency oil sales last year, the declining availability of oil for export is likely to cut these sales sharply by 1990. Exports of natural gas to Western Europe and to West Germany will almost double over the next few years as the new Soviet export pipelines go into full operation. The West European gas market has been softer than expected, however, and the West German gas company Ruhrgas does not expect Soviet gas purchases in the 1980s to increase beyond the minimum amounts already contracted for. Additional Soviet gas earnings will be offset over the next decade by pipeline loan payments. Further, the Soviets have had little success in expanding hard currency earnings by exporting to the West manufactures beyond basic commodities such as fertilizer, petroleum products, and some other chemicals. [

Politics and Sanctions. The West Germans will be reluctant to agree to economic sanctions against the Soviet Union in the absence of a major Soviet provocation. Across the political spectrum, most West Germans do not believe that sanctions work and are concerned about the possible impact on employment. Although the employment effects of trade with the USSR are not great, the concern over this issue is magnified by West Germany's high jobless rate.

Most important, however, the West Germans believe that economic relations with Moscow help to promote detente and stabilize political relations with Eastern Europe. [

] that the COCOM list should be interpreted in such a manner that only items of demonstrated strategic importance should be barred, a position enjoying broad support in West Germany.

] At that meeting, Moscow also called for greater long-term cooperation with West German firms, especially in energy conservation, consumer goods, and agriculture. [

] The Soviets instead focused on small and medium-sized projects in the food-processing and consumer goods areas. Even here, they did not discuss specific factories.

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Soviet Responses

Moscow clearly was displeased by the return of the Christian Democrats to power in West Germany and has taken a harsher tone in dealing with Bonn. During its campaign to derail initial INF deployments, the Soviets tried to intimidate the Kohl government with threats of political and economic retaliation while they simultaneously nurtured their ties with the SPD and the West German peace movement. More recently, Moscow's revanchism campaign has tried to portray the Kohl government as moving West Germany dangerously to the political right.

Despite its clear preference for the Social Democrats, Moscow apparently wanted to establish a working relationship with the Kohl government and to preserve the essence of *Ostpolitik*. High-level bilateral contacts have continued at an uninterrupted pace (see the inset). Kohl's visit to Moscow in 1982 continued the

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practice of regular summits established in the 1970s. During that visit, Andropov indicated he would accept Kohl's invitation to visit West Germany. While condemning Kohl's stance on INF, the Soviet media applauded the Chancellor's interest in maintaining the dialogue with Soviet leaders established by his predecessors. Moscow particularly welcomed Kohl's public endorsement of the 1970 Moscow Treaty, which heralded a significant expansion in bilateral cooperation. Soviet commentators noted approvingly that Kohl's statement marked a formal reversal of the Christian Democrats' attitude toward *Ostpolitik*.

Even after INF deployments began, Moscow continued to show interest in working with the Kohl government and to view Kohl as a potential force for detente. Following Kohl's visit to Washington in March 1984, influential *Izvestiya* commentator Aleksandr Bovin said on Soviet domestic radio that Kohl's message to President Reagan was, "Let's not break with the Soviet Union; let's have a dialogue." Bovin asserted that "the pressure from Western Europe on America inclines toward greater political moderation, greater realism." In a conversation

in Moscow the following month, Yuriy Davydov, head of the European Department of the Institute of USA and Canada, suggested that West Germany and other West European countries might repeat the pattern of the late 1960s and early 1970s by establishing a detente with Moscow that would lead to a broader East-West accord.

Meanwhile, Soviet officials have kept up regular and frequent contact with the SPD in both Bonn and Moscow. SPD Bundestag caucus leader Hans-Jochen Vogel was received in Moscow by Andropov in January 1983 and by Chernenko in March 1984. In January 1984 the Soviets

encouraged Brandt to plan a visit to meet Andropov despite the Soviet President's illness, and following Andropov's death, Chernenko reportedly extended his own invitation to Brandt.

Moscow still views the SPD as an attractive target for Soviet manipulation, even though the party has been relegated to an opposition role. As the anti-INF campaign demonstrated, Moscow places a premium on cultivating strong opposition to US security policies in Europe, even if the payoffs initially are only

Soviet Leadership Politics

Although we have no direct evidence that Soviet leadership changes have affected policy toward West Germany, the timing of certain shifts in Moscow's approach to Bonn suggests that internal politics may have had an impact. In particular, Andropov's death may have paved the way for a harder line toward Bonn.

The Andropov regime, while not departing substantially from the basic outlines of Brezhnev's German policy, moved West Germany to the center of the INF issue, seeking to forestall US deployments by playing upon West German public opinion rather than by continuing negotiations with the United States. Under Andropov, Moscow clearly sought to exploit opportunities to sow discord between Washington and Bonn and to highlight supposed common "European" interests of the West German and Soviet peoples.

Future leadership changes could also affect Moscow's German policy. For example, candidate Politburo member Boris Ponomarev, the party's longtime secretary in charge of relations with the European left including the SPD, is nearly 80 years old and is widely viewed as a voice for ideological orthodoxy. His most likely successor is Vadim Zagladin, who, while no liberal, is generally regarded more highly in Western Europe than Ponomarev and could bring a more pragmatic and flexible hand to the job (see appendix B).

Assessment and Outlook

We believe that the current frosty climate of Soviet-West German relations is likely to continue in the near term. The Soviet campaign of vilification may reach a crescendo in May 1985, when Moscow and its allies mark the 40th anniversary of the end of World War II in Europe and renew the 30-year-old Warsaw Treaty. Soviet propaganda will probably emphasize the themes of German revanchism and wartime aggression to underscore the need for Pact unity and discipline, particularly since some Pact members reportedly favor a shorter renewal period for the Warsaw Treaty than Moscow does.

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How long Moscow will continue to take a harsh line toward Bonn may hinge on factors over which the West Germans have little control. Although fears of a resurgent German threat are probably quite real for Soviet political leaders, the current anti-German campaign is also a response to the broader politico-military challenge from the West and the resultant pressures on Soviet Bloc unity. Regardless of what the West Germans might do to allay Soviet fears, Moscow may continue to use the supposed German threat to rally Eastern Europe and the Soviet population behind Soviet foreign and military policies.

Moscow faces a dilemma in deciding how far to go in cooling relations with Bonn. The Soviets obviously are loath to jeopardize the substantial benefits of ties to West Germany, especially in the economic field. That is why, to date, damage to relations has been limited mainly to the atmosphere in which they are conducted and, perhaps, the pace at which cooperation can be accelerated.

The inconsistency and frequent heavyhandedness of Soviet policy have in some ways worked to the Kohl government's advantage and made it politically easier for Kohl to support US policies. Moscow's belated efforts to exert pressure on West Germany through hostile propaganda and to circumscribe intra-German ties came only after the internal political polarization produced by the rancorous INF debate in West Germany had eased. Consequently, the Soviets missed an opportunity to increase domestic pressure on Bonn to advocate Western arms control concessions. Domestic pressure on the Kohl government would have been much greater if the Soviets had not broken off the Geneva talks and, after deployments began, had followed through immediately on threats to make their displeasure felt by West Germans, especially through a reduction in economic ties or a curtailment of intra-German contacts. Although the postponement of Honecker's visit to West Germany brought to the fore some differences between the Christian Democrats and the SPD, even the Social Democrats feel under domestic pressure to defend the Kohl government against some of the more outlandish Soviet charges.

We believe that the Kohl government still will be careful to avoid provoking Moscow unnecessarily, especially by playing up current frictions in the Bloc.

It realizes that the Soviets—as the postponements of the Honecker and Zhivkov visits illustrate—can inhibit, if not halt, the expansion of West Germany's ties with Eastern Europe whenever they choose. For similar reasons, in the absence of a major new Soviet provocation perceived as threatening West German interests, we believe the Kohl government will resist any moves to substantially tighten restrictions on technology transfer to the Soviet Union or to impose economic sanctions. Bonn also realizes that provocative actions on its part—such as public attacks on the Soviets or blatant expressions of German national ambitions—probably would weaken Bonn's position in Eastern and/or Western Europe by giving credibility to Soviet allegations of aggressive and revanchist tendencies.

At the same time, the Kohl government almost certainly will not modify its position on German unity in the face of Soviet threats. Not only does it view the pursuit of reunification as fulfillment of a constitutional obligation, but it also derives substantial domestic political benefits from emphasizing the issue. Bonn may be forced by Soviet pressure to slow the pace of its rapprochement with East Berlin, but it will continue to pursue greater interchange between East and West Germans and resist pressure to accept de jure the postwar division of Germany.

The West Germans remain fundamentally committed to good relations with the East and to arms control. If Moscow indicates a readiness for a thaw in relations, the West Germans will want to exploit it.

For the time being, at least, Bonn under Chancellor Kohl appears resistant to opposition calls to take greater initiative to improve bilateral ties with the USSR. The Kohl government, believing that improved US-Soviet relations are a prerequisite to improved Soviet-West German relations, prefers to wait to see what will come of renewed US-Soviet arms control discussions in 1985. The Social Democrats, on the other hand, still believe that Bonn must play a more active and independent role in breaking the East-West impasse. They will continue to maintain that the Kohl government's strong support for US security policy has reduced Bonn's influence with

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Moscow and hence its ability to promote German interests through an improved East-West climate. The Social Democrats like to think of themselves and West Germany as indispensable world actors, and they are likely to portray Chernenko's apparent choice of France for his first official visit to the West as Soviet leader as a sign of West Germany's diminished international role under Kohl.

Kohl will probably continue to resist pressure to take the initiative to improve relations with the Soviets or to "mediate" between the United States and Soviet Union provided:

- He can demonstrate that West Germany has some influence on the formation of US policy on East-West relations and a major influence on NATO arms control policy. The Chancellor's visit to Washington on 30 November was important in this regard.
- The United States is viewed as pursuing improved relations and arms control with the Soviet Union.

If US-Soviet relations or arms control negotiations do not advance by the end of 1985, however, Bonn will find it more difficult to avoid taking initiatives. This will be especially true if the Soviets are successful in improving their image in Western Europe by placing the blame for continued East-West tensions on the United States.

The West Germans—the Social Democrats' rhetoric notwithstanding—realize that their room for maneuver between East and West is limited. Nevertheless, if they decide to take the initiative in improving ties with Moscow, problems could arise for the United States. For example, Alliance disunity could result if the West Germans begin to present alternative views on arms control prospects in NATO forums.

Kohl eventually may be compelled to take greater initiative on the East-West front for domestic political reasons. His leadership increasingly is coming under attack from within his own party, and he could seek to improve or avert a further deterioration in his position by playing a more active international role. Moreover, if Kohl were to be replaced by another member of the

CDU, the new Chancellor might be less inclined to take a back seat to Washington in pursuing improved relations with the Soviets. If the Social Democrats gain greater influence at the national level after the next election, they almost certainly will pursue a more independent policy or press a CDU/CSU minority government to do the same.

Even if Bonn begins to make overtures to the Soviets, Moscow, given its paranoia about German nationalism, will have a difficult time adjusting to continued West German assertiveness in Europe. With the exception of intra-German relations, manifestations of this assertiveness—especially the push for greater European defense cooperation—cannot be influenced directly by Moscow. This new assertiveness has grown out of increased East-West tensions, changing popular perceptions of the Soviet Union and United States, and social and generational changes. All of these have been exacerbated by the INF debate.

The continuing failure of the Social Democrats to improve their electoral standing could prompt Moscow to reevaluate its approach to both the SPD and CDU/CSU. Moscow might conclude that the leftward drift of the Social Democrats has been counterproductive. The prospect of long-term conservative rule could induce Moscow to try to establish a more cooperative relationship with the CDU/CSU and build the foundation for a more durable bilateral detente. On the other hand, the prospect of long-term CDU/CSU rule in Bonn could strengthen the impression in Moscow that the basis for detente with West Germany has eroded. Such a conclusion probably would not lead Moscow to curtail bilateral economic ties, but it would lower Soviet expectations about the potential for political and military detente in Europe as a whole. Moscow would then be more likely to sustain its anti-German rhetoric over a longer period and could decide to cut back on high-level political contacts with the West German Government.

Whatever the political coloration of any new governments in Bonn, the Soviets will continue to regard West Germany as pivotal to their interests in Western Europe. At the least, they will keep a close eye on

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West Germany's stance on European security issues and intra-German affairs and will react sharply to any change they believe might lead even remotely to a revived German threat. While Soviet policy will probably continue to be reactive regarding perceived dangers from West Germany, Moscow could undertake initiatives aimed at influencing West German political options if it detects opportunities to shift West German policies in a direction more favorable to Soviet interests.

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Appendix A

West German Energy Imports From the USSR

At the current level of trade, Bonn does not consider strategic dependence on Soviet goods to be a problem, even in the energy sector. The Soviet Union has benefited from West Germany's energy crises in the 1970s, which resulted in Bonn's decision to diversify the sources of its energy imports. The West Germans generally consider the Soviets to be reliable suppliers—certainly more reliable than alternative Third World sources.

Petroleum and Petroleum Products. During the first three quarters of 1984, petroleum accounted for 42.5 percent of total West German primary energy consumption, down from 44.2 percent in 1983 (entire year) and 55 percent in 1973 (entire year). This is in line with stated government policy to reduce reliance on petroleum in favor of natural gas and coal. Almost all of West Germany's petroleum needs must be met through imports. The Soviet Union now accounts for less than 10 percent of West Germany's imports of crude oil and oil products.

While West Germany's overall dependence on oil imports has declined sharply, its dependence on the USSR has grown. Between 1970 and 1980, imports of crude oil from the USSR averaged about 3 percent of total West German crude imports. The West Germans intended to reduce imports of Soviet oil as imports of natural gas were being increased. Instead, imports of Soviet crude increased from 1.0 to 4.4 million metric tons between 1981 and 1983, or about 6.7 percent of total crude imports (see figure 8). And during the first six months of 1984, imports from the USSR were 46 percent higher than in the first half of 1983 and accounted for 8.3 percent of total imports. The Soviet Union is now the fourth-largest crude supplier—behind the United Kingdom, Libya, and Nigeria—and the largest supplier of crude oil and petroleum products.

We do not believe that West German imports of Soviet crude oil and petroleum products are critical to the West German economy as a whole or to specific industries. Although West Germany is exceedingly

dependent on world oil market availabilities, a cutoff of supplies from the USSR could be offset from other sources in a normal market situation.

Natural Gas. Natural gas now accounts for about 15 percent of West German total primary energy consumption. Approximately two-thirds of West Germany's requirements must be met through imports. The USSR became a major supplier in 1976, when deliveries to West Germany increased from the previous year's total of 5.1 billion to 8.3 billion cubic meters. In that year, deliveries began under a third contract signed in 1974 between Ruhrgas and Soyuzgazexport. In 1980, the USSR accounted for nearly 30 percent of total West German imports, or 16 percent of total consumption. This figure has not changed significantly since (see figure 9).

Imports of Soviet gas are expected to increase with completion of the Siberian pipeline and will amount to about 30 percent of total domestic consumption when the pipeline is in full operation. The West German Government does not see any alternative to increased reliance on Soviet gas, and the Cabinet decided before conclusion of the pipeline deal that dependence on Soviet supplies for up to 30 percent of total gas consumption was acceptable.

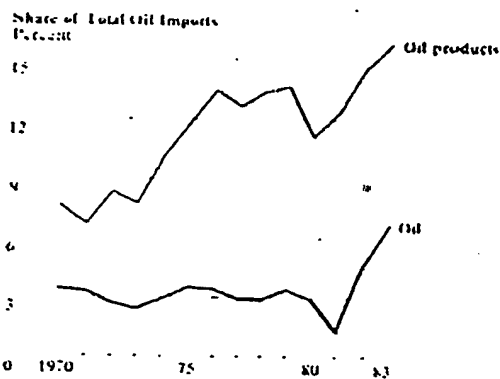
Ruhrgas's contract with the Soviets calls for annual deliveries of 10.5 billion cubic meters through the Siberian pipeline and an additional 0.5-0.75 billion cubic meters for West Berlin. The contract also enables Ruhrgas to take up to 20 percent less than the contracted amount in any given year without penalty. Given the lower-than-expected demand for gas in West Germany, we expect that Ruhrgas will be exercising this option at least through the end of this decade.

Soviet gas is primarily distributed in southern West Germany where the pipeline from the USSR connects with the German system. A sudden and extended

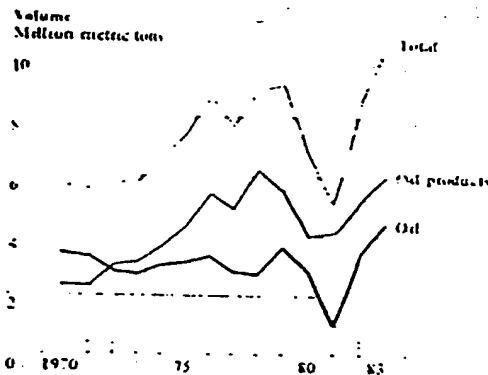
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Figure 8
West Germany: Crude Oil and Oil Product Imports From
the Soviet Union, 1970-83

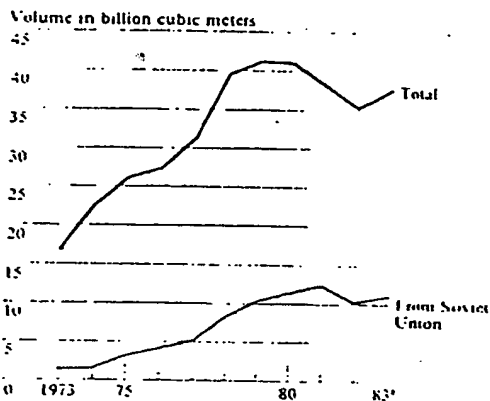


Source: U.S. Trade Statistics



Source: U.S. Trade Statistics

Figure 9
West Germany: Imports of Natural
Gas, 1973-83



*Estimated

Source: 1982 *Compte Professionnel du Pétrole* and
previous editions

cutoff might cause initial difficulties in this area until systemwide readjustments could be made. The West German pipeline system is highly developed, and shortfalls could be equalized throughout the system fairly rapidly in the short term by increased imports from neighboring suppliers, particularly the Netherlands, plus stepped-up domestic production

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Appendix B



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