

RADIO FREE EUROPE
MUNICH 1970 MRZ 16

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TO: C

OUTGOING CIPHER MESSAGE

MUN 44 16 MAR 70

TO: DURKEE INFO WALTER YARROW HOVEY DUNNING REYMAN KAUFMANN SCHNEIDER
FM: COOK (ACTING FOR WALTER) BROWN KOHAK LYON

1553

RFE DAILY REPORT NO 62

1. BULGARIA: ZHIVKOV ARRIVES IN WARSAW TODAY. WESTERN PRESS MATERIAL SUGGESTS THE OBVIOUS POINTS THAT THE EUROPEAN SECURITY CONFERENCE, BONN'S OSTPOLITIK, AND BI-LATERAL ECONOMIC QUESTIONS WILL BE DISCUSSED. IN OUR VIEW THE VISIT IS ROUTINE.

COUNTRY MEETING TODAY WAS DEVOTED TO THE MATERIALS CONCERNING "BASIC TRENDS IN THE TERRITORIAL DISTRIBUTION OF PRODUCTION FORCES IN THE COMING 15-20 YEARS." (CC DECISION AND STANKO TODOROFF SPEECH OF 3 MARCH.) AN EERA RESEARCH PAPER WILL BE PUBLISHED ON WEDNESDAY, AND WE PLAN A DGS FOR THURSDAY. IN OUR VIEW THE DOCUMENT IS A POSITIVE PHENOMENON AND REFLECTS RATIONAL ECONOMIC THINKING AND THE ABSORPTION OF WESTERN ECONOMIC PRINCIPLES TO A DEGREE. (E. G. STRESS ON THE SERVICES SECTOR, USE OF THE TERM "INFRASTRUCTURE.") IT IS UNFORTUNATE THAT THE REGIME DID NOT RECOGNIZE 20 YEARS AGO THAT ECONOMIC DECISIONS SHOULD BE BASED ON ECONOMIC RATHER THAN POLITICAL CRITERIA, AND PAST EXPERIENCE SUGGESTS WE SHOULD BY NO MEANS RULE OUT THE FUTURE ROLE OF POLITICAL LOBBYING AS A KEY FACTOR IN DETERMINING THE LOCATION OF NEW INDUSTRIES. NEVERTHELESS, OUR POLICY APPROACH WILL BE ONE OF "BETTER LATE THAN NEVER" AND WE SHALL MEASURE RELEVANT FUTURE DEVELOPMENTX IN BULGARIA AGAINST THE INTELLIGENT OBJECTIVES STATED IN THE 3 MARCH CC DECISION. OUR MAIN POINTS OF CRITICISM WILL BE THAT THE "DECISION": (1) COMPLETELY IGNORES THE ROLE OF PRIVATE ARTISANS IN DISCUSSING THE SERVICES SECTOR; AND (2) SHOWS NO EVIDENCE OF HAVING ESTABLISHED A SEQUENCE OF PRIORITIES IN PLANNING FOR THE FUTURE. (E.G. NO RECOGNITION OF THE FACT THAT NEW ROADS OR RAILWAYS HAVE TO PRECEDE THE BUILDING OF A FACTORY IN AN UNDEVELOPED AREA.)

2. CZECHOSLOVAKIA: HAVING DISCUSSED NEW DEVELOPMENTS SINCE LAST WEDNESDAY'S DGS (CRITICISM OF SMRKOVSKY AND ATTACKS ON PAVEL), WE HAVE DECIDED IT COULD BE PREMATURE TO DRAW THE CONCLUSION THAT THE DGS LINE IS SUPERSEDED AND TO COMMENT TO THIS EFFECT. THE CRITICISM OF SMRKOVSKY SEEMS TO US ESSENTIALLY A BI-PRODUCT, AND THE CASE OF PAVEL A SPECIAL ONE.

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WE SHALL REVIEW DAILY AND ISSUE A DGS OR GUIDANCE NOTE WHEN OR IF THE SITUATION WARRANTS.

GROMYKO HAS ARRIVED IN PRAGUE, PGSUMABLY TO DISCUSS THE NEW FRIENDSHIP TREATY AMONT OTHER THINGS. WE EXPECT THE NEW TREATY TO BE SIGNED IN MAY AND TO CONTAIN MORE RESTRICTIVE FORMULATIONS THAN THE PRESENT ONE. BD WILL COMMENT TO THIS EFFECT, WHILE NOT LSIING SIGHT OF THE QUESTIONABLE SIGNIFICANCE OF LEGAL DOCUMENTS IN THE HIGHWY ILLEGAL REALITY OF CS TODAY.

RUDE PRAVO CHIEF EDITOR MOC HAS CALLED THE SUNDAY TIMES ARTICLE ON THE "PILLER REPORT" A PROVOCATION. (SEE REUTER DS) TODAY'S SPIEGEL DOES NOT YET BEGIN TO CARRY THE EXPECTED TWO COMPLETE SECTIONS: PERHAPS NEXT MONDAY'S EDITION WILL, WHICH WILL ALLOW US TO CONTINUE PROGRAMMING ON THE SUBJECT.

3. HUNGARY: RADIO BELGRADE SATURDAY NIGHT (DS) REPORTED THAT "POLEMICS HAVE BEEN STARTED BETWEEN HUNGARY AND EAST GERMANY OVER ECONOMIC PLANNING." WE ARE NOT USING THIS VERSION IN PROGRAMMING. THE STORY IS BASED ON SATURDAY'S NEPSZABADSAG WHICH PUBLISHED A BOOK REVIEW BY ISTVAN FRISS OF AN EAST GERMAN BOOK WHICH APEARED FIVE MONTHS AGO.. THE EERA HUNGARIAN UNIT HAS RECEIVED NEPSZABADSAG AND IS PREPARING A PAPER FOR OUR NEWS BUDGET TONIGHT. THE INITIAL IMPRESSION IS THAT FRISS' REVIEW IS A BALANCE OF PRAISE AND CRITICISM, AND THAT THE CRITICISM IS NOT SHARPLY POLEMICAL IN TONE. ALL BD'S WERE REMINDED AGAIN TODAY THAT OUR PAST FONDNESS FOR SCHISMS, SPLITS, AND DISUNITY DOES NOT RPT NOT EXTEND TO HUNGARY'S RELATIONS WITH ITS DOGMATIC "ALLIES." WE MUST OF COURSE CONTINUE TO CROSS-REPORT EXTENSIVELY ANDD OBJECTIVELY ON HUNGARIAN DEVELOPMENTS, INCLUDING THE FRISS BOOK REVIEW BUT CAN DO WITHOUT WHAT APPEARS TO BE A GRATUITOUS EXAGGERATION BY RADIO BELGRADE.

4. POLAND: THE LATEST ROUND IN FRG-POLISH ECONOMIC TALKS BEGAN LAST NIGHT IN WARSAW WITH A "BLITZBESUCH" BY PARLIAMENTARY STATE SECRETARY (ECONOMICS MINISTRY) ARNDT AND SPECIAL ENVOY EMMEL. INFORMED SOURCES IN BONN SAY ARNDT AND EMMEL WILL RETURN TO BONN TODAY. WE ARE IN NO POSITION TO PREDICT THE OUTCOME OF THESE TLAKS OR EVEN TO SUGGEST THAT THIS MIGHT BE THE FINAL ROUND.

5. RUMANIA: NOTHING

6. OTHER: OUR INVESTIGATION OF WEST AND EAST EUROPEAN TRAFFIC REGULATIONS (SEE SATURDAY'S D.R.) IS UNDERWAY. HUNGARY, IT SEEMS, WILL ADOPT THE WEST EUROPEAN PATTERN IN 1972, ONE YEAR LATER THAN WESTERN EUROPE. THUS THE HUNGARIAN BD WILL NOT ENGAGE IN

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WEST GERMAN OFFICIAL PROGNOSTICATIONS FOR THE ERFURT MEETING NEXT THURSDAY ARE THAT NOTHING SPECIFIC WILL MATERIALIZE FROM THE FIRST ROUND. CHANCELLOR BRANDT IN A "WELT AM SONNTAG" ARTICLE WARNED AGAINST EXPECTING TOO MUCH FROM THE MEETING SINCE NO QUICK

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YEAR2. EGON FRANKE, BONN MINISTER FOR INNER-GERMAN AFFAIRS AND A MEMBER OF BRANDT'S DELEGATION, OBSERVED THAT "PRECISE CONTRACTUAL AGREEMENTS" SHOULD NOT BE ANTICIPATED FROM THE FIRST MEETING AND EXPECTS THAT THE TWO SIDES "WILL BE ABLE TO GET TOGETHER AGAIN." FRANKE SAID THAT THE OPENING DISCUSSIONS WOULD BE CONCERNED WITH EACH SIDE STATING ITS POSITION TO THE OTHER. INDEED, " RPTG

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CHANGE COULD BE EXPECTED IN A SITUATION WHICH HAD EXISTED FOR 25 YEAR2. EGON FRANKE, BNN MINISTER FOR INNER-GERMAN AFFAIRS AND A MEMBER OF BRANDT'S DELEGATION, OBSERVED THAT "PRECISE CONTRACTUAL AGREEMENTS" SHOULD NOT BE ANTICIPATED FROM THE FIRST MEETING AND EXPECTS THAT THE TWO SIDES "WILL BE ABLE TO GET TOGETHER AGAIN." FRANKE SAID THAT THE OPENING DISCUSSIONS WOULD BE CONCERNED WITH EACH SIDE STATING ITS POSITION TO THE OTHER. INDEED, " "NEUES DEUTSCHLAND" OF 14 MARCH REMARKED THAT THE DRAFT TREATY PROPOSED IN DECEMBER BY ULBRICHT WOULD SERVE THE PURPOSE OF ESTABLISHING A CONDITION OF PEACEFUL COEXISTENCE BETWEEN STATES OF OPPOSITE SOCIAL ORDERS AND OBSERVED CATEGORICALLY THAT "THE SUBJECT OF THE FORTHCOMING TALKS IS THIS DRAFT TREATY." CONRAD AHLERS, BONN GOVERNMENT SPOKESMAN, WHILE OBSERVING THAT THE GOAL OF THE FRG IS TO SETTLE RELATIONS BETWEEN GERMAN STATES WITH AN INTERNATIONALLY VALID TREATY (BY THIS HE CERTAINLY DOES NOT MEAN A TREATY OF THE ULBRICHT VARIETY BUT PROBABLY A "GEWALTVERZICHTSERKLAERUNG"), SAID THAT SUCH TREATIES CAN COME ONLY AT THE END AND NOT AT THE BEGINNING OF CONTACTS. AHLERS REPEATED THE WEST GERMAN INTEREST IN REMOVING THE BARRIERS ONE BY ONE, IN PARTICULAR THOSE CONCERNED WITH EASING THE BURDENS ON THE GERMAN PEOPLE BOTH EAST AND WEST IMPOSED BY THE DIVISION OF THE GERMAN NATION; THE SO-CALLED "MENSCHLICHE ERLEICHTERUNGEN." "NEUES DEUTSCHLAND" (15 MARCH), HOWEVER, IN A CALLOUS COMMENTARY EQUATED THE EASING OF THE HUMAN CONDITION WITH "COUNTERREVOLUTIONARY ACTIVITIES":

"FOR NAIVE PEOPLE, THE TALK ABOUT EASING HUMAN RELATIONS MAY SOUND GOOD. WHO CAN BE AGAINST HUMANITY? BUT WHAT THESE APOSTLES ACTUALLY MEAN IS THE RESTORATION OF THE SITUATION AS IT WAS BEFORE AUGUST 13, 1961. WE DO NOT CONSIDER COUNTERREVOLUTIONARY ACTIVITIES AN EASING OF HUMAN RELATIONS."

"NEUES DEUTSCHLAND" RETURNED TO THE ULBRICHT TREATY SAYING THAT IT "WILL BE UP FOR DISCUSSION IN ERFURT."

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THUS, THE MAXIMALIST APPROACH OF PANKOW WILL BE CONFRONTED BY THE KLEINE SCHRITTE APPROACH OF BONN. BRANDT, WISHING TO AVOID THE POSSIBILITY OF AN IRRECONCILABLE FIRST ROUND CONFRONTATION APPARENTLY PLANS A TOUR D'HORIZON WITH STOPH TO SEE "WHETHER, DESPITE CONTRARY POINTS OF VIEW, SOME POINTS OF COMMON INTEREST CAN BE FOUND." IF "COMMON INTERESTS CAN BE FOUND ANYWHERE OUTSIDE THE WELL-KNOWN, IRRECONCILABLE STANDPOINTS" BRANDT REMARKED, "WE WILL HAVE TO SEE EACH OTHER AGAIN IF THE WHOLE THING IS TO MAKE ANY SENSE." IN TAKING A MODERATE SOFT-SELL APPROACH CORRESPONDING WITH HIS LONG-TERM ASSESSMENT OF THE NATURE OF THE PROBLEM OF EAST-WEST GERMAN RECONCILIATION, BRANDT OBVIOUSLY HOPES FOR PROTRACTED DISCUSSIONS AND A CHANGE IN THE INTERNATIONAL ATMOSPHERE TO IMPROVE THE PROSPECTS FOR THE "NORMALIZATION" OF RELATIONS.

WE ARE ISSUING A DGS TODAY CONCERNING THE SOVIET UNION'S CONTINUING REFUSAL TO ATTEMPT TO RESTRAIN ITS AGGRESSIVE NORTH VIETNAMESE ALLY AND TO TAKE A POSITIVE STAND IN THE INTERESTS OF PEACE AND STABILITY IN SOUTH-EAST ASIA.

END MSG