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Willy Brandt's Ostpolitik: The Changing Role in United States-West German Relations, an Analysis of United States Government Internal Documents

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**WILLY BRANDT'S OSTPOLITIK: THE CHANGING ROLE IN UNITED
STATES-WEST GERMAN RELATIONS,
AN ANALYSIS OF UNITED STATES GOVERNMENT INTERNAL
DOCUMENTS**

by

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ABSTRACT

This thesis analyzes a crucial period in the relations between the Federal Republic of Germany and the United States of America, through the use of US government internal documents. Willy Brandt brought forth a new vision of Ostpolitik that was starkly different from policies that the US had dealt with before, subsequently leaving the Nixon Administration largely unsure of how to react. The change in FRG economic positioning vis-à-vis the United States, and catalyst political events in the 1960's, created the impetus for Brandt's vision of Ostpolitik, which culminated in the interim West German control of the Western Alliance's Eastern Politics.

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“We Germans must not forget our history. But we can also not continually utter confessions of guilt...we must intensely, responsibly ask for our right to self

*determination, to national self realization and with this make our contribution to the healing [of the wounds] of Europe's centre."*¹-Willy Brandt

Chapter 1: Introduction

Question

Structural, diplomatic and economic changes took place after the end of World War II, which fundamentally changed the dynamics within the Western Alliance. Initially, the relationship between the Federal Republic of Germany (FRG) and the United States of America was one wherein the US played the primary role and the FRG played the secondary role; the United States led while the Federal Republic followed. However, in the span of less than twenty-five years, between 1945 and 1969, the Federal Republic of Germany changed from a war-torn country in economic and political ruin that was dependent on US aid, into a leading power acting unilaterally to foster its own foreign policy interests.

This thesis seeks to answer two questions surrounding this important period that fundamentally altered the international geopolitical scene. The first question I will address is: how did the post World War II relations between the Federal Republic of Germany and the United States of America contribute to the development of Willy Brandt's vision of *Ostpolitik*? And, as a related question, how had the Federal Republic's economic position vis-à-vis the United States changed by 1969 when Brandt became chancellor, as to allow him to pursue this vision of *Ostpolitik*? Through this analysis, I aim to show that in response to political actions, (or inaction) by the United States, Willy Brandt developed the impetus to pursue a largely unilateral foreign policy for West

¹ In January 1967, Brandt spoke in front the of the Consultative Assembly of the Council of Europe in Strasburg, France where he attempted to magnify the point that "European nations and states were scarcely capable of achieving a radical improvement of the East-West relationship if the United States and Soviet Union did not also shift over to this course on a world political scale." Willy Brandt, *A Peace Policy for Europe*, (New York: Holt, Rinehart and Winston, 1969) 168.

Germany, that had at its root the desire to integrate Eastward. Moreover, I will demonstrate that because of the economic prowess of the Federal Republic, it no longer was obliged to maintain its “follower” role with regard to the United States, thus allowing Willy Brandt the leverage to pursue his foreign policy vision. Finally, in conclusion, I will integrate these two themes and describe how the political will and economic conditions supporting unilateral action led to the successes of Brandt’s *New Ostpolitik*, and furthermore how, for the first time since the end of the Second World War, the United States was forced into a position where it had to react to the initiatives of the Federal Republic.

Through research conducted at the Nixon Presidential Library and Museum in Yorba Linda, California, Documents from the US Department of State (FRUS) and related research in the field, I have had the opportunity to investigate many important internal White House and governmental documents. Through humor, frustration and misgivings, these documents shed light on the true feelings of US White House Officials throughout the development and implementation of Brandt’s policies. I have made it a central point throughout this thesis to frequently highlight the true behind-the-scenes US reactions to the policies of the Federal Republic under the Brandt Chancellery; these meetings and anecdotes are especially interesting when US officials were publicly proclaiming US support for Brandt’s *Ostpolitik* policies, while privately expressing significant misgivings. In closing, I will assimilate these internal communications into the main theme of this thesis, and comment on the way in which these perceptions, conversations, policy choices, and decisions further exemplify the change of roles that took place between the two nations regarding Eastern politics.

Background

When Richard Nixon became president on 20 January 1969, the world was in flux. The United States was in the midst of two conflicts—the Cold War and the conflict in Vietnam—which were testing both the patience and resources of the US government and citizens. President Nixon came to office with the ambitious goals of ending the conflict in Vietnam, and starting the “Era of Negotiation” with Eastern Europe.

Only eight months after Mr. Nixon took office, Willy Brandt became the Chancellor of the Federal Republic of Germany in October of 1969. A former Atlanticist, Brandt believed the allegiance the Federal Republic had shown toward the US since the end of World War II had not been reciprocated, and the Federal Republic of Germany could no longer rely on the United States to advance the foreign policy interests of the FRG as it had in the past. Meanwhile, post-World War II the FRG had reached a new level of economic prosperity. These two factors, together, allowed the new Chancellor to come into office with a plan for an aggressive form of détente, which was more independent from the Western Alliance, and particularly, more independent from the United States. Brandt’s policy was the new *Ostpolitik*, or East Politics, a “*Wandel durch Annäherung*” or “change through rapprochement” policy that would allow West Germany to pursue normalization of relations with the Eastern bloc.² Through this new approach, Brandt began to embrace “a pan-European peace concept and anchored his *Westpolitik* less and less with the United States and more and more with the European Economic Community.”³ Brandt’s new *Ostpolitik* was motivated by three concerns: to

² As Noel Cary discusses, “change through rapprochement” was the “dialectical watchword” of the West Germans who thought that “negotiated accommodation” would provide the “political space needed for the Communist system to reform itself”. Noel D. Cary, “Reassessing Germany’s Ostpolitik. Part 1: From Détente to Refreeze”, *Central European History* 33, no. 2: (2000), doi: 10.1163/156916100746329 (accessed April 8, 2012).

³ Werner D. Lippert, *The Economic Diplomacy of Ostpolitik: Origins of NATO's Energy Dilemma* (New York: Berghahn Books, 2011), 15.

keep alive a feeling of national cohesion, “to atone for the sins of the past...behavior toward Eastern Europe” and “to normalize relations with Eastern Europe in general.”⁴

By the time that Willy Brandt took office, talk of reunification between the two German states had become scarce.⁵ To Brandt, reunification was the final goal, but not the means to this end. He envisioned success in the long-term by basing the Federal Republic’s Eastern policy on normalization tactics. The bettering of relations between the Federal Republic of Germany and the German Democratic Republic, Soviet Union, and Soviet satellite states was the only plausible way he thought that there might ever be a reunification of the two Germanys. Brandt believed that the division would “not vanish from one day to the next and that as far as [could] be foreseen [would] be overcome only in conjunction with a general improvement of East-West relations in Europe.”⁶

Previously important policy initiatives that expressed hostility toward the East Germans, such as the Hallstein Doctrine, were no longer strategically beneficial, and their use became obsolete.⁷ Due to West Germany’s economic position in Western Europe, the Chancellor planned and was able to cultivate these eastern relations through the use of trade deals and economic policies with the states in the Soviet bloc, beginning with the

⁴ Gebhard Schweigler, *West German Foreign Policy; The Domestic Setting*. (New York: Praeger Publishers, 1984), 49.

⁵ Dr. Walter Scheel, who became Vice-Chancellor of Germany under Brandt in October 1969, met with President Nixon earlier that year, in June 1969, and said “It has now become clear to most people that the kind of reunification aspired to ever since the end of World War II, with freely elected government, etc., stood no chance of being realized. Therefore, some preparatory, interim solution would have to be found.” Memorandum of Conversation between President Nixon and Walter Scheel, 13 June 1969; National Archives, Nixon Presidential Library, Country Files, Europe Germany, Vol. I. through April 1969, Box 681.

⁶ Brandt, *A Peace Policy for Europe*, 141.

⁷ The Hallstein Doctrine had been an influential part of West Germany foreign policy after 1955. It said that if any third-party state were to recognize the German Democratic Republic in the international arena, then the Federal Republic of Germany would sever diplomatic ties with that country. On June 4, 1969, the FRG modified the Hallstein Doctrine so that GDR recognition would from then on be viewed as an “unfriendly act” but not lead to immediate severing of diplomatic relations. German History in Documents and Images “The New *Ostpolitik* and German-German Relations,” German History in Documents and Images, accessed 1 April 2012, http://germanhistorydocs.ghi-dc.org/sub_document.cfm?document_id=917.

Soviet Union. During his tenure in office, Brandt exploited the only point of leverage that he could with all of the parties involved: the Federal Republic's economic position.

Meanwhile, the Nixon administration had a different plan for détente in Europe. President Nixon's policy was based around the premise of maintaining the status quo, and avoiding an eruption into any sort of "large-scale conflict" between the United States and the Soviet Union.⁸ Thus, the aggressive policy that the Brandt Chancellery brought to the forefront alarmed the Nixon Administration. Fear grew that West Germany was, perhaps, acting *too* independently, while disregarding the intentions of the United States and other Western Allies. There was also concern that if this *Ostpolitik* was handled the wrong way, the Federal Republic might succumb to the ideologies of the Eastern European bloc, thus uprooting it from the Western Alliance. Henry Kissinger, President Nixon's Special Advisor for National Security Issues, thought there was a reason for concern: "It seemed to me that Brandt's new *Ostpolitik*, which looked to many like a progressive policy of quest for détente, could in less scrupulous hands turn into a new form of classic German nationalism."⁹ President Nixon was believed to have an even more negative stance on the Brandt policy.¹⁰ It is safe to say that the Nixon administration viewed *Ostpolitik* with cautious suspicion.¹¹

Since the end of World War II, the Federal Republic of Germany had kept its foreign policy initiatives cohesive with the leadership and ideologies of the United States.

⁸ Fink Shaefer, *Ostpolitik 1969-1974* (New York: Cambridge University Press, 2009), 81.

⁹ Henry A. Kissinger, *White House Years*. (Boston: Little, Brown, 1979), 409.

¹⁰ "Nixon was willing to strengthen the alliance as long as it did not interfere with his vision of détente." Clearly, the Brandt policy did interfere with Nixon's version of détente. There are further examples of conversations between Nixon and Kissinger in which Kissinger had the moderate view of the West German détente policy. Lippert, *The Economic Diplomacy of Ostpolitik: Origins of NATO's Energy Dilemma*, 25.

¹¹ According to Richard C. Thornton, in Nixon's second year as President, the views of the two leaders began to diverge especially. President Nixon wanted to maintain the bipolar order, while Kissinger thought it was time to move to a multipolar order, in which the United States worked toward détente with the Soviet Union. Richard C. Thornton; *The Nixon Kissinger Years: The Reshaping of American Foreign Policy* (St.Paul: Paragon House Publishers, 2001), 151.

This had been the case because “the relationship between the United States and the Federal Republic of Germany [was]...founded on the fact that West Germany owes its existence to the United States.”¹² The United States was a major force contributing to the defeat of Adolf Hitler and the Third Reich, helping to establish the Federal Republic of Germany, giving it the resources and assistance to rebuild and to develop a bustling economy, and providing American troops to safeguard the security and democracy of the Federal Republic from the Communist Bloc. Through this support, West Germany had become almost indebted to the United States, and in the decades after the war, German politicians, including Willy Brandt, knew that it was important for the international reputation and future prosperity of the Federal Republic of Germany to follow the foreign policy lead of the United States.

However, by the late 1960’s, this idea of FRG dependence on the United States began to change. Through several key political events of the 1960’s, including the building of the Berlin Wall and the pipeline embargo of 1963, the West Germans had followed the lead of the United States, only to have their own foreign policy goals neglected or tarnished for the proceeding years. Perceived mistreatment during these events was the partial catalyst behind the formation of the independent viewpoints that Willy Brandt held vis-à-vis the United States. Brandt was not alone in these changing beliefs. Other members of the Social Democratic Party (SPD), including Brandt’s closest advisor, Egon Bahr, thought it was time that the Federal Republic act more unilaterally.¹³

¹² Schweigler, *West German Foreign Policy; The Domestic Setting*, 1.

¹³ As early as 15 July 1963, Egon Bahr gave a speech discussing “Change through Rapprochement”, and specifically mentioning Germany’s role in establishing stronger cooperation in economic affairs, and overcoming “East-West Conflict” by dismantling the status quo. This was the first sign that the Social Democratic Party, SPD, was building a new policy for dealing with the relations for West Germany’s Eastern politics. German History in Documents and Images “Change through Rapprochement (July 15, 1963)”, German History in Documents and Images, http://germanhistorydocs.ghi-dc.org/sub_document.cfm?document_id=81 (accessed 4 April 2012).

Although many Germans found their relationship with the United States to be necessary, there was also an underlying belief that the United States had benefitted more from the alliance with the West Germans than the West Germans benefitted from their alliance with the United States. All these factors, together, led many West Germans to eventually support Willy Brandt's policies.

In this thesis I aim to investigate how the Federal Republic of Germany's position vis-à-vis the United States changed as a result of Chancellor Willy Brandt's pursuit of *Ostpolitik*. This is an interesting topic for several important reasons. The fundamental relationship between West Germany and the United States was a complex one, in that the Federal Republic virtually was in existence because of the United States. However, when Willy Brandt became Chancellor of Germany, and aggressive policy changes were made toward détente with Eastern Europe, it occurred against a backdrop of a vibrant German economy, while the United States economy was not enjoying the same sort of positive momentum. It felt a bit threatening to the Nixon administration, to say the least, that the country that the United States had aided and "taken under its wing" since the end of the Second World War, was now the most powerful country in the European Economic Community (EEC), and was essentially changing the strategic direction of the Western Alliance. The fiscal aid and security that the United States had provided to the Federal Republic had facilitated West Germany's rise into the top three most economically successful countries in the Western Alliance, amongst the ranks of Japan and the United States.¹⁴

The political dynamics between the United States and the Federal Republic of Germany were in flux because the Federal Republic had become strong both

¹⁴ Thornton, *The Nixon Kissinger Years: The Reshaping of American Foreign Policy*, 9.

economically and politically, such that dependence on the United States was no longer the necessity that it had been in the past. This change fundamentally altered the relationship between the two countries. This illustrates a broader concept of how the relationship between a country that supplies aid and a country that receives aid can change over time, and how those dynamics evolve when the dependent country that has been receiving the aid develops into an economically powerful nation.

For reasons of economic prosperity and growth, as well as political motivations of increased safety and security, it made sense that the Brandt government was interested in building ties with some of the countries in Eastern Europe. However, it was the first time that the Federal Republic had, in essence, undertaken a major foreign policy initiative without the blessing of the United States government.

Moreover, the way in which the United States reacted to the Federal Republic's *Ostpolitik* was quite revealing. The United States, it seemed, was caught between a rock and a hard place. Although the Nixon Administration did not fully support, by any means, the policy of the Brandt government, the US did not want to risk showing a Western "broken front" to the USSR and the rest of the Soviet bloc, thus possibly admitting that the Federal Republic was not firmly grounded in the Western Alliance. Furthermore, the worst possible outcome that the United States could fathom would have been the Federal Republic becoming too close to the Communists, and actually losing its grounding in the Western Alliance. The United States did not want, under any circumstances, the FRG to become a part of the Soviet bloc. In this case, the United States seemed uncertain of how to react to Bonn's new policies, because suddenly, the US was no longer in the usual position of leading the foreign policy initiatives of West Germany.

Previous Research

Many scholars have previously investigated the relationship between the United States, the Federal Republic of Germany, the Soviet Union and the German Democratic Republic on the road to *Ostpolitik*. In *The Economic Diplomacy of Ostpolitik*, Werner Lippert argues that Willy Brandt used energy trade with the Soviet Union in order to pursue détente, while US-FRG disagreement on which form of détente to pursue ultimately led to the inability of the Western Alliance to formulate unified policies vis-à-vis the Soviet Union in the late 1970's and early 1980's. He argues that this ultimately led to "NATO's energy dilemma" which still exists today.¹⁵ In Angela Stent's *From Embargo to Ostpolitik: Political Economy of West German-Soviet Relations, 1955-1980*, Stent looks at the different political actors that influenced the economic relationship between the Soviet Union and FRG and how economic factors helped shape the political relationship between the two.¹⁶

This thesis will add to the current research on the topic. By investigating US government internal documents, I will present the history of the relationship between the United States and Federal Republic of Germany during this time. I will analyze how and why the views of Chancellor Brandt developed over time, and why his viewpoints were arguably appropriate when he took office in 1969. Furthermore, through an economic analysis, I will demonstrate how the powerful economic position of the Federal Republic vis-à-vis the United States and the rest of the Western Alliance, as well as the Soviet Union, German Democratic Republic, and the rest of the Communist Bloc, allowed the Federal Republic to leverage this economic strength and pursue this détente policy.

¹⁵ Lippert, *The Economic Diplomacy of Ostpolitik: Origins of NATO's Energy Dilemma*.

¹⁶ Angela Stent, *From Embargo to Ostpolitik: Political Economy of West German-Soviet Relations, 1955-1980* (New York: Cambridge University Press, 1981).

Eventually, I will come to the conclusion that economics was the basis and the foundation of the Eastern policy moves, and one of the major reasons that the Federal Republic had the ability to pursue its policy while remaining an influential member of the Western Alliance. I will argue that Brandt's policy for *Ostpolitik* was developed largely in reaction to perceived US neglect, but that the FRG had the ability to pursue this new policy direction largely because of its economic prowess. Finally, because of the Federal Republic's important leading European position, I will show how the United States was essentially forced into accepting the secondary foreign policy role, while the Federal Republic took the lead in pursuing this independent strategic initiative.

Moving Forward

This thesis will proceed by looking at the economic and political history leading up to Willy Brandt's *Ostpolitik*, and the United States reactions to these economic and political changes in the Federal Republic of Germany. In the Second Chapter, I will present the economic policies that were implemented amongst the Western Allies after the end of World War II and how the Federal Republic was able to benefit from these policies in order to ascent to its international economic position. Here, I will analyze the reasons why the Federal Republic was able to improve its economic position vis-à-vis the United States and the states in Communist bloc. Aside from a structural analysis, I will also incorporate a short data analysis of important economic metrics for the US and the FRG during the late 60's and early 70's. In Chapter Three, I will proceed by detailing the political history of *Ostpolitik* leading up to 1969 when Willy Brandt took office. I will investigate the significant geopolitical events that took place in the late 1950's and 1960's, and the United States reactions to changing diplomatic relations that influenced Brandt's new policy. This analysis will begin under FRG Chancellor Adenauer in 1958,

and progress up until 1969 when Brandt won the Chancellery and the Grand Coalition was subsequently dissolved. Then, in Chapter Four, I will study the implementation of Brandt's policy of *Ostpolitik*. Within this analysis, I will present the United States internal reactions to these new initiatives. Finally, in Chapter Five I summarily argue that with the combination of increased economic power and the evolving independent unilateral foreign policy direction of the Federal Republic, the United States became the secondary actor, while the Federal Republic, for the first time since World War II, took the role of the primary actor in Western diplomacy towards the Eastern Bloc.

Chapter II: Economic Background

There are several key reasons why the Federal Republic gained the strong economic position it held in 1969, which it was then able to use in order to pursue its policies of *Ostpolitik*. Had the Federal Republic not successfully rebuilt its ruined economy following the end of the Second World War, none of the new Eastern policies it pursued would have even been feasible, because the FRG would not have had any economic leverage over the Eastern European states, and thus no way to link politics with economics the way in which it did. In this section, I will outline the reasons that the economy of the Federal Republic was able to gain its positioning so quickly in the aftermath of World War II, enabling it to perform what has been termed the *Wirtschaftswunder* or "the economic

miracle”, and putting the country in a position allowing it to pursue *Ostpolitik* when Willy Brandt became Chancellor.

The Marshall Plan

The Marshall Plan was fundamental in the rebuilding of the European states after World War II. As it was originally envisioned, the Marshall Plan would include all of the previously war torn Europe.¹⁷ At the April 1947 Council of Foreign Ministers meeting in Moscow, George C. Marshall called upon Allies as well as the USSR and Soviet satellite states to support a plan for aid to Europe with special emphasis on the reconstruction of the German Industrial sector. The Truman Administration knew that the German economy was one of the most important factors in the recovery of all of Europe, so economic aid for the German economy was an integral part of the plan.¹⁸ Soviet Foreign Minister Vyacheslav Molotov expressed the views of General Secretary of the Communist Party of the Soviet Union, Joseph Stalin and the USSR when he said that the Soviet Union would be unwilling to support a plan that helped a nation [West Germany] that had so recently brought devastation to the Soviet Union.¹⁹ Still trying to garner Soviet support, Secretary of State Marshall had a separate conversation with Stalin, trying to convince him of the value of the plan, in which

¹⁷ As William L. Clayton, the US representative in talks with European Ministers for Foreign Affairs said in his article, in 1947, “the road was open for Russia and her satellite countries to be included in the Marshall Plan.” William L. Clayton, “GATT, The Marshall Plan, and OECD” *Political Science Quarterly*, 78, no. 4 (1963), 500; <http://www.jstor.org/stable/2146352>, (accessed 29 March 2012).

¹⁸ According to Eichengree and Uzan, if the German economy was “held down” it would affect the amount that the country would be able to import, which would in turn affect the economic health of all of Europe. Harry Eichengreen and Marc Uzan, “The Marshall Plan: Economic Effects and Implications for Eastern Europe and the Former USSR,” *Economic Policy*, 7, no. 2 (1992): 21, <http://www.jstor.org/stable/10.2307/1344512> (accessed 20 March 2012).

¹⁹ Later, in the Paris Conference of June 1947, Minister Molotov walked out of talks on the Marshall Plan after 2 days. Czechoslovakia and Poland had already cabled to Washington that they wished to be included amongst the Marshall Plan Recipients, but the USSR made them withdraw this agreement. Clayton, “GATT, The Marshall Plan, and OECD,” 501.

he told the Russian leader that the US “hoped to aid those countries that are suffering from economic deterioration which, if unchecked, might lead to economic collapse and the consequent elimination of any chance of democratic survival”.²⁰ However, Stalin would not acquiesce. Instead, the Soviet leader believed that agreeing to the plan would mean giving up reparations that the tripartite occupying countries (US, UK and USSR) had agreed to at the Potsdam Conference in 1945; Stalin said the “Soviet Union could not” do this.²¹ Marshall was unable to garner support from the USSR, so instead moved on without the Soviets.

In a Commencement speech at Harvard University in June 1947, George C. Marshall called for a plan to rebuild Europe, thus announcing the US policy plans to the world.²² Shortly thereafter, in early 1948, Congress passed the Economic Cooperation Act, approving funding for the rebuilding of Europe. Secretary Marshall saw the plan as necessary, directed not “against any country or doctrine but against hunger, poverty, desperation, and chaos. Its purpose should be the revival of a working economy in the world so as to permit the existence of

²⁰ Stalin did not believe that the collapse of the European economy was imminent as the United States led on. Memorandum of Conversation, 15 April 1947, *FR: 1947*, 2:340-41 cited in Scott D. Parriah, and Mikhail M. Narinsky, “New Evidence on the Soviet Rejection of the Marshall Plan, 1947: Two Reports”, *Woodrow Wilson International Center for Scholars*, http://cursos.iteso.mx/moodle/pluginfile.php/64113/mod_resource/content/0/Marshall_Plan.pdf (accessed 20 March 2012).

²¹ The Potsdam Agreement was focused on the 4 D’s: “demilitarization, denazification, democratization, decentralization, and deindustrialization”. In terms of reparations, each of the four Allied powers was to seize reparations from its own occupation zones, but the Soviet Union was allowed “10–15 percent of the industrial equipment in the western zones of Germany in exchange for agricultural and other natural products from its zone.” *Encyclopedia Britannica*, “Potsdam Conference” *Encyclopedia Britannica Academic Edition*, <http://www.britannica.com/EBchecked/topic/472799/Potsdam-Conference> (accessed 10 March 2012).

²² *Foreign Relations of the United States, Milestones, 1945-1952; Marshall Plan, 1948.*

political and social conditions in which free institutions can exist.”²³ Marshall and the United States knew that the remnants of the war were still affecting the countries of Europe, as agriculture and food production had been disrupted, pushing some countries to the brink of famine.²⁴

The plan became officially known as the European Recovery Program (ERP), and was based around rebuilding the economies of Western Europe. Under the Marshall Plan, European countries were to join in intra-European trade, and to help fulfill this objective, the countries formed the Organization for European Economic Cooperation (OEEC).²⁵ The US Department of State had insisted on two points in the formation of the Marshall Plan: that the recipients of the Marshall Plan organize themselves into “a committee of cooperation” that should remain even if the Marshall Plan aid had ended, and that this committee should work out “the measure and mechanics” of the aid and present it to the United States. This committee was formally named the Organization for European Economic Cooperation in the spring of 1948.²⁶ Under the OEEC the countries established the European Payments (EPU) to deal with the differences in currency between the European states. The goal of the EPU was to build up the

²³ Foreign Relations of the United States, A Short History of the Department of State.

²⁴ George C. Marshall Foundation, “The Marshall Plan,” George C. Marshall Foundation, <http://www.marshallfoundation.org/TheMarshallPlan.htm> (accessed 12 March 2012).

²⁵ The OEEC included every country West of the Iron Curtain except for Finland and Yugoslavia. When the ERP was terminated in 1951, the OEEC continued to exist. Andreas Grotewold, “West Germany’s Economic Growth,” *Annals of the Association of American Geographers* 63, no. 3 (1973): 355, accessed 5 April 2012, <http://www.jstor.org/stable/2562001>.

²⁶ By 1963, the name had changed to the Organization of Economic Cooperation and Development (OECD), and the United States and Canada had both become members. Clayton, “GATT, The Marshall Plan, and OECD”, 493-503.

largest European trading partners to the point where they had accumulated adequate levels of US dollars and gold reserves.²⁷

The European Recovery Program turned out to be more than successful, as 13 billion dollars were invested in Europe between 1948 and 1951.²⁸ This gave the European governments both economic and political space to maneuver. As J. Bradford De Long, and Barry Eichengreen argue, the Marshall Plan brought with it a structural change, which was crucial to the growth of the system.²⁹ Moreover, West Germany saw the most economic growth during these years out of all the Marshall Plan recipients. At the end of World War II, the level of Industrial production in West Germany had fallen to less than 20% of what it had been prior to the war. This was worse than Belgium, France, and the Netherlands who were still producing at 30% of their prewar levels.³⁰ According to some scholars, this was due not to the destruction of German facilities, but instead to the problem of obtaining raw materials, transportation, and food distribution.³¹ In just four years, the Federal Republic had increased its level of production by 312%, and by 1951, West Germany was performing higher than pre-World War II levels (1938).³²

²⁷ The EPU met this goal in 1959, and was abolished.

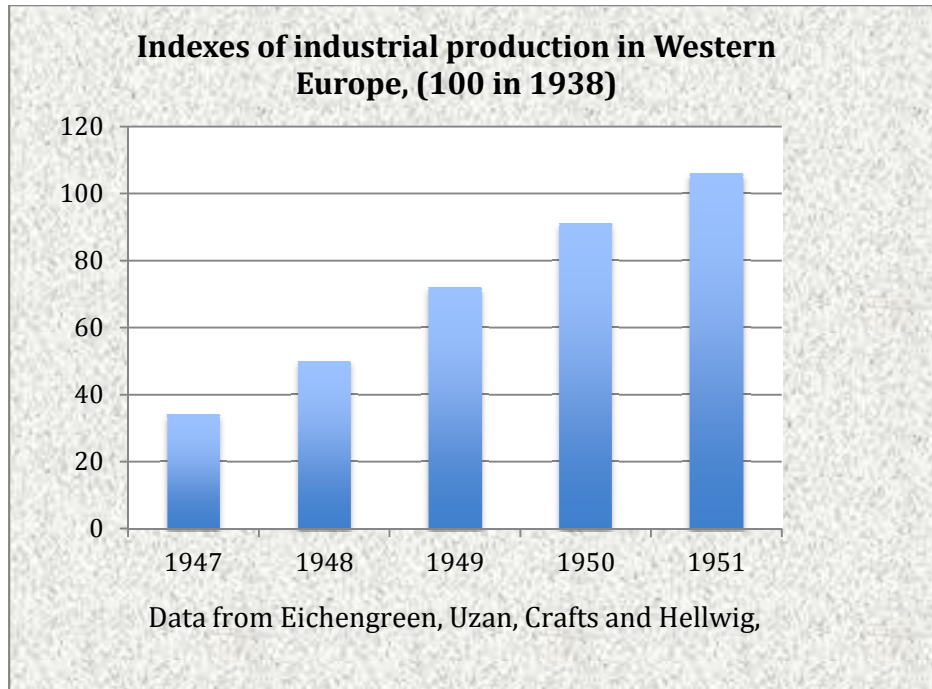
²⁸ The Marshall Plan has become known as one of the greatest economy recovery and foreign policy plans in decades.

²⁹ De Long and Eichengreen argue that without this structural shift, political economy in Europe may have followed in the footsteps of post-World War II Argentina, where economic stagnation and overregulation were rampant. J. Bradford De Long and Barry Eichengreen, "NBER Working Papers Series: The Marshall Plan: History's Most Successful Structural Adjustment Program," *National Bureau of Economic Research* (1991): 4-7, <http://www.nber.org/papers/w3899.pdf> (accessed 10 March 2012).

³⁰ Eichengreen and Uzan, "The Marshall Plan: Economic Effects and Implications for Eastern Europe and the Former USSR," "54.

³¹ *Ibid* p. 16

³² *Ibid* p. 17



The Bretton Woods System

A second program that brought economic support for the West Germans was the creation of the Bretton Woods system. Just 10 years after the currency and price control reform of 1948, “the German ‘economic miracle’ rapidly made the Federal Republic the most important economic power in Western Europe and, indeed, one of the great industrial powers in the world³³. How did this reformation happen so quickly?

In July 1944, representatives from the 44 Allied nations met in Bretton Woods, New Hampshire in order to discuss and subsequently sign, the Bretton Woods Agreement. The Allied nations had learned from the economic

³³ In 1948, Ludwig Erhard, as Chairman of the FRG Economic Board, was influential in abolishing price controls that had been established under Adolf Hitler. By July of 1948, 90% of price regulations were repealed. In July of 1948, Erhard introduced a new West German currency. The Reichmark was switched out for the Deutschemark. For more information on the currency reformation, please see: Bundesbank. “Deutsche Bundesbank Monthly Report, March 2002” Bundesbank, (accessed 22 March 2012), http://www.bundesbank.de/download/volkswirtschaft/mba/2002/200203_en_dmark.pdf; Geoffrey Brennan, Hartmut Kliemt and Robert D. Tollison, *Method and Morals in Constitutional Economics* (Springer-Verlag: Heidelberg, 2002), 299.

misfortunes they experienced in the period between World War I and World War II, and wanted to ensure that conditions were set up in order to prevent similar outcomes from reoccurring. These precarious conditions were due largely to government fiscal reactions to the Great Depression in the 1930's had made the international economic environment unstable, and a similar fate was to be avoided.³⁴

The British and the Americans both offered similar, but slightly different ideas on how to pursue a policy that would assist countries that had short-term balance of payments deficits, so that the Allied countries would develop liberal policies instead of protectionist trade and monetary policies. Harry Dexter White from the United States, and John Maynard Keynes from the United Kingdom both presented possible plans to combat the same problem. Both economists wanted to overcome the past issues in the world monetary system, and foster conditions for the successful international regrowth of capitalism. The different plans were debated for almost two years, until a "Joint Statement by Experts on the Establishment of an International Monetary Fund" was released in April 1944.³⁵

This led to the development of the Bretton Woods System, which subsequently led to the creation of the International Monetary Fund (IMF), and the International Bank for Reconstruction and Development (IBRD). Under Bretton Woods, all currencies were pegged to the US dollar, and exchange rates were altered through international agreements with the Americans. The dollar was linked to gold, by the guarantee from the United States that the government

³⁴ During the Great Depression, the US tried to counteract their economic misfortunes by raising tariffs, competitively devaluing its currency, and creating discriminatory trading blocs. Foreign Relations of the United States; Milestones: 1937-1945, The Bretton Woods Conference, 1944.

³⁵ Foreign Relations of the United States; Milestones: 1937-1945, The Bretton Woods Conference, 1944.

would purchase dollars throughout the world at a fixed price of \$35 dollars per ounce of gold. The IMF was developed to assist in “stabilizing exchanges” around the US dollar and gold reserves. A central pool of reserves was created to administer temporary loans to countries that were in a balance of payments deficit. Each country would contribute to this central pool, but the largest contributions came from the United States.³⁶ The IBRD was in charge of extending credits for development and reconstruction to the countries that had been destroyed by the war. The idea was that these institutions would help to quickly restore trade, while stabilizing currencies, reducing exchange discrimination and restrictions, and avoiding competitive devaluation between countries.³⁷ In his closing remarks at the Bretton Woods conference, US Secretary of the Treasury, Henry Morgenthau reiterated the objectives of the Bretton Woods System when he said, “This is a curious notion that the protection of national interest and development of international cooperation are conflicting philosophies...none of us has found incompatibility between devotion to our country and joint action.”³⁸ Morgenthau was thus calling for the end of economic nationalism.

The Bretton Woods System provided huge economic advantages for the Federal Republic. The German economy soon became characterized by rapid

³⁶ Geoffery Pilling, “The Crisis of Keynesian Economics: A Marxist View”(1986), <http://www.marxists.org/archive/pilling/works/keynes/index.htm> (accessed 18 March 2012).

³⁷ Mabel Newcomer, (1945) “The Bretton Woods Agreement and World Peace” (paper presented at the National Association of Women Lawyers); <http://heinonline.org/HOL/Page?handle=hein.journals/wolj31&id=83&collection=journals> (accessed 10 March 2012).

³⁸ Army Information School: Carlisle Barracks, Documents Pertaining To American Interest In Establishing A Lasting World Peace: January 1941-February 1946, “Bretton Woods Decisions: Closing Address by Secretary of the Treasury Henry Morgenthau; 22 July 1944” Pamphlet No. 4, Pillars of Peace: (1946); <http://www.ibiblio.org/pha/policy/1944/440722b.html> (accessed 13 March 2012).

annual growth of the gross national product (GNP) and an almost steady succession of balance-of-payments surpluses.”³⁹ Between the years of 1950 and 1958, the West German share in Gross National Product doubled, while exports from the Federal Republic rose by over 20%.⁴⁰

Problems with Bretton Woods

By pegging their currencies to gold, this fixed individual nation’s price levels to that of the world.⁴¹ The fixed exchange rate was advantageous, because it protected against foreign shocks. However, the system did not always work as planned, as the competitive nature of the individuals and countries remained. Countries who were in balance-of-payment surplus were reluctant to appreciate their currencies, while countries in deficit were quick to depreciate in order to increase their edge competitively. In a December 1952 note on the “Economic Assumptions Underlying American Economic Foreign Policy”, US Department of State Official John M. Leddy wrote:

Under the gold standard the notion was that an inflow of payments produced by an export surplus would tend automatically to increase prices in the surplus country and reduce prices in the deficit country, thus stimulation imports into the surplus country and deterring imports into the deficit country. Whatever may have been the validity of their notion in the past it is clear that under present and foreseeable circumstances there is no direct or automatic connection between the inflow and outflow of payments and internal price levels.⁴²

³⁹ Background Notes: Federal Republic of Germany; United States Department of State Publication 7834; July 1967; National Archives, Nixon Presidential Materials, NSC Files, Country Files, Europe Germany, Vol. I. through April 1969, Box 681.

⁴⁰ Hans-Joachim Braun, *The German Economy in the Twentieth Century: The German Reich and the Federal Republic*, (London: Routledge, 1990), 170.

⁴¹ Michael D. Bordo, *A Retrospective on the Bretton Woods System: Lessons for International Monetary Reform* (Chicago: The University of Chicago Press, 1993), 5.

⁴² Paper Prepared for the Working Group on American Economic Policy; Note on Economic Assumptions Underlying American Economic Foreign Policy by John M. Leddy, 11 December 1952, Foreign Relations of the United States, 1952-1954, Volume I, Part 1, General: Economic and Political Matters (in two parts), Document 16.

Under Bretton Woods, nations that had either a balance of payments surplus or deficit were asked to change the value of their currency in order to restore the balance of payments back to equilibrium. Thus, nations that had a balance of payments surplus were called upon to appreciate their currencies, and countries that had a balance of payments deficit were expected to depreciate their currencies. Devaluation meant decreasing the value of one nation's currency relative to gold or the currency of other nations, in order to create equilibrium in the balance of payments. If one country was losing money in its trade with another country, a decision may be made to revalue the winning country's currency. For example, in a memorandum from the Chairman of the Council of Economic Advisors to President Nixon in May 1969, the President was informed that in that week "\$1 billion (net) flowed into Germany, and...the British lost some \$200 million." He went on to say that it "would be nice" if the Germans decided to "revalue the mark unilaterally, but there are no indications they will do so."⁴³ In this situation, if the West Germans were to revalue the mark, this would make British products less expensive for the Germans, and German products more expensive for the British. The hope would be that this currency revaluation would lead to the increase of imports from Britain to the Federal Republic, and the decrease in exports from the Federal Republic to Britain.

Economic Integration and Consequences for Bretton Woods

Following World War II, the Federal Republic made it a point to embed itself within many international organizations in order to better facilitate its liberal

⁴³ Memorandum for the President from The Chairman of the Council of Economic Adviser on The International Monetary Situation, 5 May 1969; National Archives, Nixon Presidential Materials, NSC Files, Country Files, Europe Germany, Vol. I. through April 1969, Box 681.

trade policy and general relations, and thus the FRG became an integral part of many treaties and partnerships. A liberal trade policy is one in which a country reduces its tariffs and other trade barriers, in order to facilitate international trade. The United States was very involved in pressuring the Germans to work toward European integration. On 30 October 1947, the General Agreement on Tariffs and Trade (GATT) was signed.⁴⁴ In 1951, the FRG was one of the founding members of the European Coal and Steel Community, which was the first organization that was formed based on supranationalism, and in 1955, the Federal Republic joined NATO. On 25 March 1957, the European Economic Community (EEC) went into effect. Over the following twelve years, a Common Market was to be formed between West Germany, France, Italy, and the Benelux countries (Belgium, the Netherlands, and Luxembourg).⁴⁵ The United States had expressed its strong support for the coming together of European states. Former US Secretary of State John Foster Dulles conveyed this sentiment to former Chancellor Erhard when he said that the Americans believed that previous wars were caused because of the “division of Europe”, and that the “Europeans have an *obligation* to tie themselves together and to attain strength in that way so that it will not be necessary to call upon the US again.”⁴⁶ As the most economically powerful nation in the EEC, the US believed that the FRG should have been the main actor prompting these moves toward integration.⁴⁷

⁴⁴ By 1963, in 15 years, GATT had increased international trade to about \$125 billion annually, and 50 nations were a part of GATT. Clayton, “GATT, The Marshall Plan, and OECD”, 503.

⁴⁵ Peter H. Merkl, *German Foreign Policies, West & East*, (Santa Barbara: Clio Press Inc., 1974), 102.

⁴⁶ Memorandum of Conversation between the Department of State and FRG minister Erhard, 7 June 1955; Foreign Relations of the United States, 1955-1957; Volume IV, Western European Security and Integration, Document 97.

⁴⁷ Dulles went on to say that the reason that Adenauer was so well liked in the United States is because the “US thinks of him as a European”. Memorandum of Conversation between the Department of State and

This integration created more opportunities for the economy of the Federal Republic. Through its liberal trade policy, the FRG opened its domestic market to foreign suppliers, a competition policy that was based on market economy lines.⁴⁸ This policy led to the rapid economic expansion of the Federal Republic and moreover, the West Germans saw the importance of bridging these connections, because they saw trade as “the alpha and omega” of their future.⁴⁹ However, it also meant that the Federal Republic’s economy was highly integrated with the international market, and success of the West German economy was contingent upon the development of West German structure in accordance with international demand.

Through the FRG’s liberal trade policy, the Deutschemark became increasingly undervalued, which made exports rise drastically, increasing 10.5% annually after 1958.⁵⁰ German trade surpluses existed over a number of years in a “sizeable amount”.⁵¹ For that reason, in the late 1960’s, the United States and other countries in the EEC attempted to convince West Germany to revalue the mark, since there was a “fundamental German payments imbalance”. In 1968, the US Secretary of the Treasury, Henry Fowler, argued that, “Germany is a strong country and is attracting large amounts of money.” He went on to say that US

FRG minister Erhard, 7 June 1955; Foreign Relations of the United States, 1955-1957; Volume IV, Western European Security and Integration, Document 97.

⁴⁸ *Facts About Germany* (Bonn: The Press and Information Office of the Government of the Federal Republic of Germany, 1975), 222.

⁴⁹ Robert Mark Spaulding, *Osthandel and Ostpolitik: German Foreign Trade Policies in Eastern Europe from Bismarck to Adenauer (Monographs in German History)*, (Oxford: Berghahn Books, 1997), 309.

⁵⁰ Braun, *The German Economy in the Twentieth Century: The German Reich and the Federal Republic*, 170.

⁵¹ The US Secretary of the Treasury made this observation in a discussion with Italian, British and West German, the Netherlands leaders at the first G-10 plenary session. Telegram from the Embassy in Germany to the White House; Foreign Relations of the United States, 1964-1968, Volume VIII, International Monetary and Trade Policy, Document 214.

had been in the role of the “strong country” for many years, and Germany is now also in that position with the US, thus indicating that it would be appropriate for the West Germans to revalue the Mark.⁵²

However, as mentioned earlier, there were problems with the Bretton Woods System, in that countries were hesitant to revalue or devalue their currency in certain situations. For example, in this case, the West Germans enjoyed the competitive trade advantage that the undervalued Deutschmark gave them. In meetings in Bonn between November 22 and November 24, 1968, the US, French and British economic leaders strongly urged the Germans to revalue the Deutschmark by 7.5% in order to compensate for the “structural imbalance” caused by the undervalued Deutschmark. US Secretary Fowler continually called the “parity change” the standard procedure to compensate for such an imbalance. However, West German Economics Minister Schiller, and Federal Minister of Finance Strauss, did not believe that the use of a single parity change would fix the structural imbalance of countries in trade deficits. Schiller and Straus ultimately decided that the Federal Republic had “no intention” of changing its parity, displeasing the other countries present.⁵³ Instead, West Germany decided to take other initiatives that they believed would increase imports and reduce exports. The FRG reduced the border tax by 4% on exports and imports and also called for “an international credit arrangement of a special quality”, and “additional balance of payments measures by deficit countries” in

⁵²Here, in 1968, the US Secretary of the Treasury admits the economic strength of the Federal Republic. Telegram from the Embassy in Germany to the White House; Foreign Relations of the United States, 1964-1968, Volume VIII, International Monetary and Trade Policy, Document 214.

⁵³ Foreign Relations of the United States, 1964-1968, Volume VIII, international Monetary and Trade Policy, Document 214.

order to ensure the credibility of the package.⁵⁴ This was the West Germans way of encouraging imports and discouraging exports, but a revaluation did not take place as the US Secretary of the Treasury had so strongly suggested.⁵⁵

Germany Revalues the Mark

Finally, in 1969 under the Grand Coalition, the continuing strength of the Mark against the US dollar, as well as the international pressure that the West Germans felt, pushed them to float the Mark in September of 1969. Furthermore, this was also a strategic move for the West Germans, undertaken in order to halt domestic inflation that had been on the rise. When Brandt took office, he chose to revalue the Deutschemark on 24 October 1969 to a parity that was 9.28% higher than the previous parity.⁵⁶ However, the revaluation by the Germans was insufficient to completely rectify the disparity between Germany and the United States.⁵⁷

US Looks Toward Restructuring Bretton Woods

In the wake of continuing problems, in the late 60's and early 70's, US policymakers contemplated how they should respond to the ongoing crises within the international monetary system and looked toward restructuring the system.⁵⁸

When Nixon came to power, the US economy had begun to falter, even if

⁵⁴ Schiller said: "until March 1970, the parity was fixed and would be supported." The parity change did, however, happen before this date. Foreign Relations of the United States, 1964-1968, Volume VIII, international Monetary and Trade Policy, Document 216.

⁵⁵ Schiller and Strauss had successfully resisted the suggestion of US Secretary of the Treasury Fowler. Through the memoranda on the conversations within the meetings, it is clear that these talks were quite tense, and representatives from both sides (US and FRG) were perturbed with the other. Foreign Relations of the United States, 1964-1968, Volume VIII, international Monetary and Trade Policy, Document 216.

⁵⁶ After the revaluation of the Mark, Brandt made the pledge: "not a single German job will be lost." "Brandt Pledges Stability Under Revalued Mark"; *St. Petersburg Times*; 27 October 1969.

⁵⁷ Thornton, *The Nixon Kissinger Years: The Reshaping of American Foreign Policy*, 9.

⁵⁸ Editorial Note, Foreign Relations of the United States, 1969-1976 Volume III, Foreign Economic Policy; International Monetary Policy, 1969-1972, Document 110.

marginally. Although not admittedly so, Nixon may have felt that the hegemonic power of the United States was in danger of decreasing to a level of insignificance. Amongst the discussions of a National Security Council meeting in 1970, the NSC looked at the long-term prospects of the EEC which seemed to be chillingly prosperous for the European Economic Community: “This bloc will account for about half of world trade, compared with our 15%; it will hold monetary reserves approaching twice our own; and it will even be able to outvote us constantly in the international economic organizations.”⁵⁹ Evidently, the consequences that might arise in the future from a loss of United States economic hegemony, and what this change could mean for the future of the Western Alliance weighed heavily on the minds of United States officials.

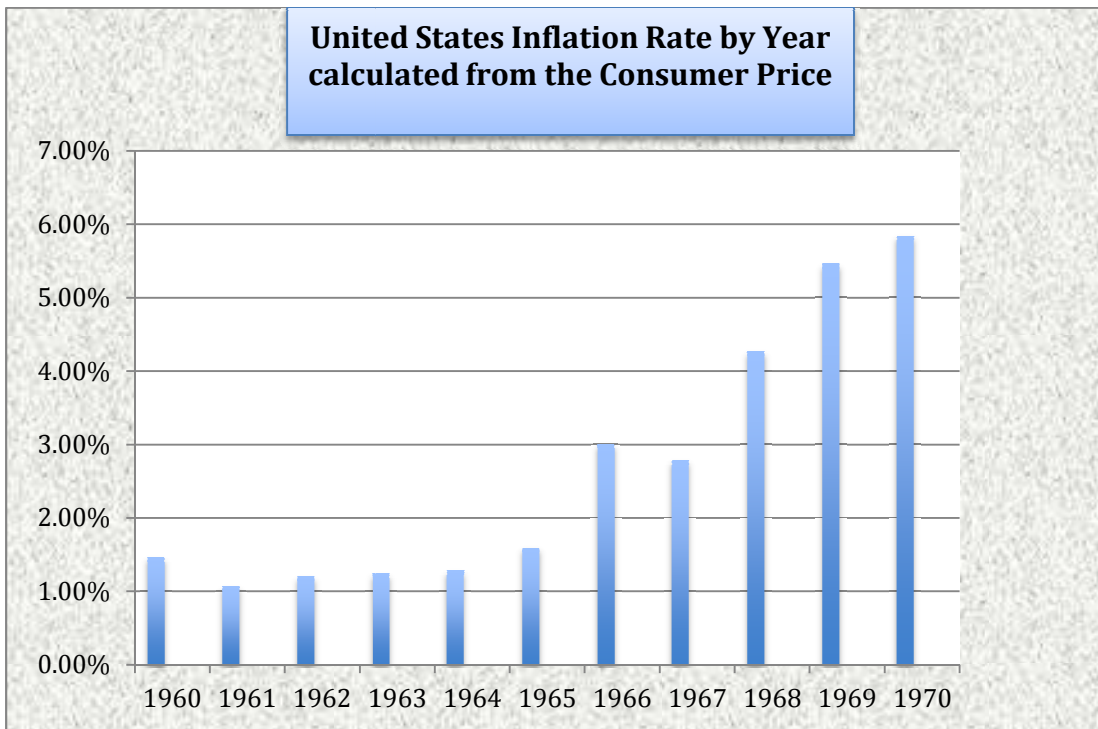
At this juncture, it seemed that the United States should strategically devalue the dollar in order to keep equilibrium at the center of the system. However, the Nixon Administration’s idea to devalue was not met with agreement from the Western allies. Allies that were in surplus did not want the United States to devalue, and threatened to devalue by the same amount should the United States decide to go ahead with devaluation.⁶⁰ Thus, the basic tenants of the Bretton Woods System were being threatened by the fact that countries were reluctant to weaken their competitive trade advantages by complying with one of the fundamental principles of the agreement.

Furthermore, since the United States had the central role in this monetary system, there was an inflationary bias within the system, which led to a higher optimal level of inflation. In 1969, when Nixon became President, the annual

⁵⁹ Kissinger, *White House Years*, 426.

⁶⁰ Thornton, *The Nixon Kissinger Years, The Reshaping of American Foreign Policy*, 71.

inflation rate calculated by the United States Bureau of Labor Statistics was 5.46%, increasing especially in the latter part of the decade from only 1.46% in 1960. By 1970, it had risen even higher, to 5.84%.⁶¹ The dollar became significantly overvalued abroad, and since the American economy held the liquidity for the system, the United States maintained a persistent balance of payments deficit.⁶² In a paper prepared about the United States economic situation, “The United States Position in the World: An Overview”, “The U.S. balance of payments deficit,” was said to be “a persistent problem for the United States that will continue for at least several years into the future.”⁶³



⁶¹ Infaltondata.com, “Bureau of Labor Statistics Consumer Price Index (CPI-U).”, http://inflationdata.com/inflation/inflation_rate/historicalinflation.aspx, (accessed 20 March 2012).

⁶² Thornton, *The Nixon Kissinger Years: The Reshaping of American Foreign Policy*, 71.

⁶³ Paper prepared for President Nixon and Henry Kissinger, Undated. Foreign Relations of the United States, 1969-1976, Volume III, Foreign Economic Policy; International Monetary Policy, 1969-1976, Document 26.

At the end of the decade, there was a shift in economic strength. Where the United States had consistently been the hegemonic power both politically and economically within the Western Alliance, the Federal Republic of Germany began to see an increase in its power vis-à-vis the United States. Part of this was a result of the American involvement in the Vietnam War, and the loss of resources as a result. Meanwhile, in Europe, the Federal Republic had essentially become the most important member of the EEC and thus the most important member of Western Europe.⁶⁴

FRG Success in Pursuing *Ostpolitik* Unilaterally: A Quantitative Analysis

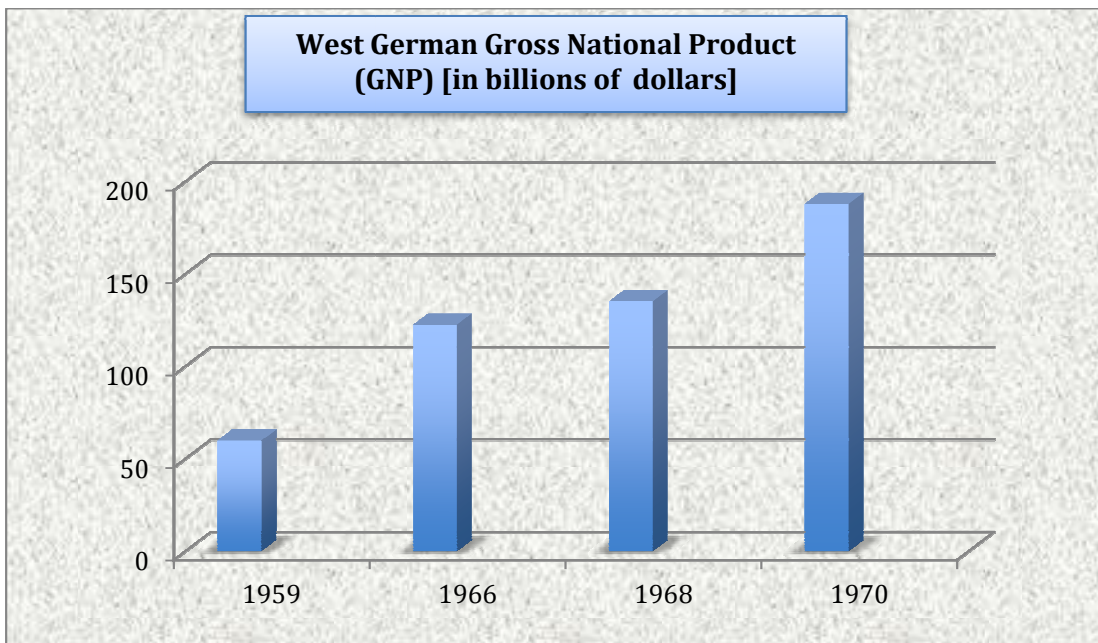
When the Nixon Administration took office, the United States was starting to stagnate economically in comparison to the exponential growth of the Federal Republic. In the fall of 1969, US economic expansion ceased.⁶⁵ Aside from a short recession in the late 1960's, West Germany's economy had grown dramatically. This change in the dynamics between the two economies of the Federal Republic of Germany and the United States of America influenced the ability of the Federal Republic to initiate Brandt's unilateral moves toward Eastern détente, via this evolving economic leverage. As events unfolded in the 1960's, it became clearly evident to Willy Brandt that the Federal Republic needed to "accept that it was an economic giant and stop behaving like a political dwarf". Since West Germany had previously vested the majority of its

⁶⁴ However, the United States remained the largest supplier of goods to the Federal Republic. Spaulding, *Osthandel and Ostpolitik: German Foreign Trade Policies in Eastern Europe from Bismarck to Adenauer (Monographs in German History)*, 490.

⁶⁵ Solomon Fabricant, "The 'Recession' of 1969-1970", *National Bureau of Economic Research Economic Research: Retrospect and Prospect* 1(1972), <http://www.nber.org/chapters/c4394.pdf>. (accessed 2 April 2012), 1.

foreign policy goals and initiatives in the US, the Federal Republic used its recent growth in economic power in order to increase its political power.⁶⁶

The impetus for the economic growth of the Federal Republic was in large part enabled by the post-war aid from the United States. However, other policy decisions, such as the choice to engage in liberal trade, also contributed to the development of the robust and growing German economy. The growth of the Federal Republic was phenomenal: in 1959, West German GNP was 60 billion dollars; 122.7 billion dollars in 1966, 135.3 billion in 1968, and by 1970 it had grown to 188 billion dollars.



Between 1959 and 1970, in less than one dozen years, the West German GNP had more than tripled.⁶⁷ The growth in GNP per capita was also impressive. Between 1950, and 1965, the average growth rate per capita Gross National Product (GNP) was the highest

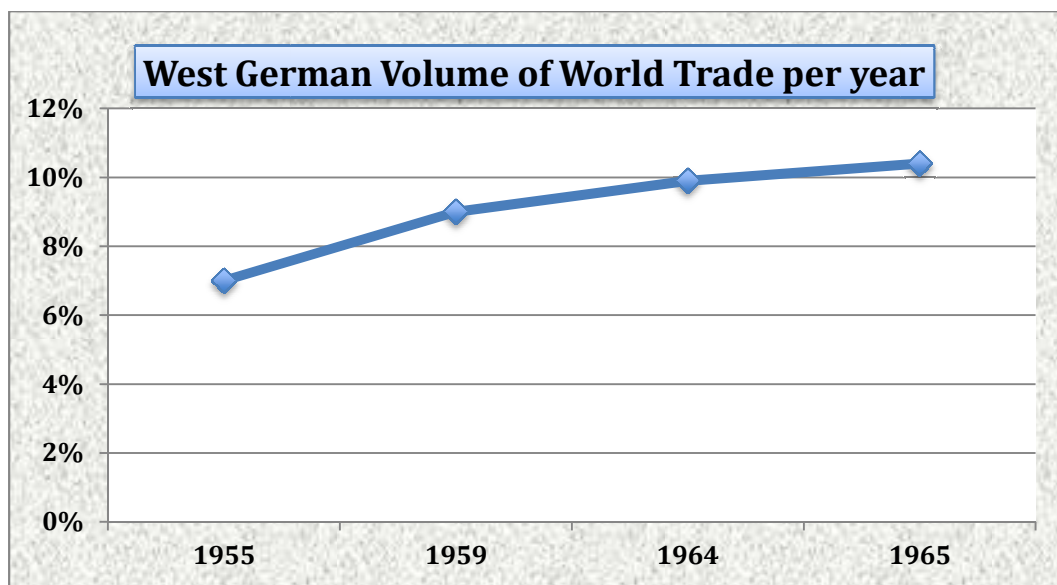
⁶⁶ K Becker, "Bonn Renkt ein." *Die Zeit* (June 25) in Roger Morgan *54: The Washington Papers: West Germany's Foreign Policy Agenda*, (London: Sage Publications, 1978), 9.

⁶⁷ Thronton, *The Nixon Kissinger Years: The Reshaping of American Foreign Policy*, 8.

among Western European nations at 6.3% annually.⁶⁸ The Federal Republic also showed significant improvements in other important economic metrics:

Trade

By 1961, the Federal Republic of Germany had become the Western European country with the largest volume of world trade. West Germany was second in the world only to the United States, with trade valued at over 23 billion dollars. Impressively, by 1965, the share of FRG foreign trade was 10.4% of total world trade.⁶⁹



Moreover, by 1967, the Federal Republic of Germany had a yearly positive balance of trade larger than that of the United States, which increased the Federal Republic's net currency asset position. This was also quite a change from the previous two decades. Until 1966, the West German trade surpluses were rarely more than one-third those of the United States.⁷⁰ The balance of trade between the West Germans and

⁶⁸ The Second highest was Austria with a 6% annual growth rate in GNP, followed by France with 3.4% and the UK with 2.2%. Anthony Radspieler, "The West German Economy," *Current History*, 50, no. 297, (1966), 295, http://www.jiscjournalarchives.ac.uk/browse/proquest/7508_issues/50_1966.html, (accessed 22 March 2012).

⁶⁹ Radspieler, "The West German Economy," 295-299.

⁷⁰ Thornton, Richard C.; *The Nixon Kissinger Years: The Reshaping of American Foreign Policy*, 8.

the United States had changed drastically. In 1967, the US had imported \$1, 955 million of FRG goods and exported \$1, 706 million to West Germany. However, in 1968, America imported \$2,721 million worth of goods, and only exported \$1, 792 million worth, which created a \$1,000 million balance of trade deficit for the United States.⁷¹ Through the inflationary bias in the system, the dollar had become significantly



overvalues abroad, to the detriment of US trade.

⁷²

United States Balance of Payments/ The Results of the International Monetary System

In addition to ongoing economic effects from the Bretton Woods System, the United States further experienced domestic economic pressure from the Vietnam War, which caused a deficit in its balance of payments in the public sectors due to military costs and expenditures abroad. The overall deficit was significant by the 1960's. In

⁷¹ *United Nations Yearbook of International Trade Statistics*, 1969, in Roger Morgan, *The United States and West Germany, 1945-1973: A Study in Alliance Politics*, (London: Oxford University Press, 1974), 174.

⁷² Thornton, *The Nixon Kissinger Years: The Reshaping of American Foreign Policy*, 9.

1964, the public sector deficit was 2.9 billion dollars, 4.2 billion dollars in 1967, and rose to 6.9 billion dollars in 1969.⁷³ However, by 1970, the deficit reached a new high of almost 10 billion dollars, which contributed to moving the United States economy into recession.

The Bretton Woods System was having deleterious consequences on the economy of the United States. The central banks of other countries, in order to limit the appreciation of their own currency, began stockpiling American dollars, in effect resulting in currency manipulation. The Federal Republic of Germany held one of the largest dollar reserves. The desire of member countries to gain a competitive trade advantage worked against the ideals of the Bretton Woods System. At the turn of the new decade, when the American deficit reached a new record high, the West German dollar reserves also reached a new high at nearly 6 billion US dollars.⁷⁴ The Bretton Woods constraints, although beneficial for the growth of developing economies abroad, were beginning to wear heavily on the United States. This further contributed to an changing balance of economic power between the Federal Republic of Germany and the United States, altogether serving to facilitate Brandt's efforts in a new foreign policy direction.

⁷³ US Department of Commerce, *Survey of Current Business*, June 1969, pages 26, 34, and March 1971, page 44, in Morgan, *The United States and West Germany, 1945-1973*, 166.

⁷⁴ Thornton, Richard C.; *The Nixon Kissinger Years: The Reshaping of American Foreign Policy*, page 72

Chapter III. Political Background

The Beginning of Ostpolitik: Adenauer Urged to Negotiate

The beginning of *Ostpolitik*, or Eastern politics, took place in the late 1950's. A leader in the Christian Democratic Party (CDU), West German Chancellor Konrad Adenauer was regarded as a "dream partner" to the United States; he became known for cooperating closely with the US and for his role in integrating West Germany with the Western alliance.⁷⁵ He was the first Chancellor of Germany to be elected by the Bundestag in 1949, eventually serving for 14 years. Under the urging of United States Secretary of State John Foster Dulles, Adenauer looked toward developing closer ties with the Soviet Union. He worked with the West German Economics Minister, Ludwig Erhard, in efforts to negotiate East-West trade. However, Adenauer based much of his trade policy around the requirement that the Soviet Union succumb to West German wishes by making political concessions in exchange for economic benefits, which ultimately proved largely unsuccessful. He thought the Soviets, and subsequently, the East Germans, might surrender some of their political positions in the interest of trade and for the betterment of their own economy. The West Germans did achieve limited success in that they were able to pass the Long-Term Agreement on Trade and Payments,

⁷⁵ Arne Hoffman, *The Emergence of Detente in Europe: Brandt, Kennedy and the Formation of Ostpolitik*, (New York: Routledge, 2007),153.

and the Agreement on General Questions of Trade and Navigation on April 25, 1958.⁷⁶ These treaties have been said to be the first actions toward West German *Ostpolitik*.⁷⁷ However, these trade deals were not signed on the pretenses that the Germans had envisioned. The FRG had to make the majority of political concessions in these agreements, while the Soviets conceded little, if anything. Even so, the basis for these agreements, and the foundation of *Ostpolitik* was purely economic.⁷⁸

During this same period, the United States began pushing the West Germans to take on a larger role within Europe by pursuing European integration, and by taking on a larger role in the further development of the weaker European countries. In a meeting on 11 December 1959, the US Under Secretary, Dillon, said: “The United States considered the Federal Republic as one of the principal countries obliged to increase its financial assistance to the developing countries.”⁷⁹ The economy of the Federal Republic was continuing to grow considerably, and the United States asked more of the FRG within the Western Alliance. It should have been quite expected, then, as the Federal Republic contributed more financial resources to the Alliance, that they would expect to have a larger policy influence amongst the Allies. With growing economic strength, the political strength of the FRG also began to expand.

Brandt Grounded in the West

⁷⁶ Lippert, *The Economic Diplomacy of Ostpolitik: Origins of NATO's Energy Dilemma*, 2.

⁷⁷ The first formal agreement on trade between the FRG and the USSR was signed in April 1958. Negotiations had taken place in Moscow starting in August 1957, but obstacles from the German end that the Soviet Union settle on issues of “reparation” and the West German refusal to give the Soviets, “most favored nation” status. Jan F. Triska, and Robert M. Slusser, *The Theory, Law, and Policy of Soviet Treaties* (Stanford: Stanford University Press, 1990), 315.

⁷⁸ Spaulding, *Osthandel and Ostpolitik: German Foreign Trade Policies in Eastern Europe from Bismarck to Adenauer (Monographs in German History)*, 471.

⁷⁹ Memorandum of Conversation, 11 December 1959; Foreign Relations of the United States, 1958–1960 Volume VII, Part I, Western European Integration and Security, Canada, Documents 85.

Brandt served as Mayor of West Berlin from 1957 until 1966. In his early years as a politician, his ideas were quite different from those that could be found in his New *Ostpolitik*. Although Brandt was part of the Social Democratic Party, early on, he shared many of the foreign policy ideas of the Christian Democratic Party, and Chancellor Adenauer, the “dream partner” of the United States. As mayor, Willy Brandt was beginning to emerge as the clear right wing leader of the SPD who was pro-American, anti-Communist, and an advocate of the status quo in Central Europe, similar to the likes of Chancellor Adenauer.⁸⁰ In the early 1960’s, Brandt himself was openly against many of the policies that he would later advocate in his *Ostpolitik* while he openly proclaimed his ideologies were strongly grounded in Alliances with the United States and NATO.⁸¹ Indicative of his subsequent change in stance, in the early 60’s Brandt saw giving into the idea of the two separate Germanys as giving into the problem instead of solving it.

The Berlin Crisis

The Berlin crisis and subsequent events marked a key turning point in the evolution of Brandt’s attitude toward the United States. On 4 June 1961, USSR Chairman Nikita Khrushchev made a serious threat to President Kennedy regarding Berlin.⁸² Khrushchev warned that by the end December 1961, the Western powers must withdraw their troops from Berlin, or the Soviets would sign a separate peace treaty with the German Democratic Republic, which would end the rights involved in the four power agreements. Ending these rights would mean that the Americans, British and French

⁸⁰ Lichtenstein, *Walter Reuther: The Most Dangerous Man in Detroit*, 343.

⁸¹ Lippert, *The Economic Diplomacy of Ostpolitik: Origins of NATO's Energy Dilemma*, 2.

⁸² The two leaders were meeting in Vienna, Austria. This more confrontational meeting followed lunch, and a morning meeting was held between the two leaders, which was much less contentious and much more cordial. Kennedy said that he had come to Vienna “to prevent a confrontation between our two countries [US and USSR]” and regretted having to leave Vienna with “this impression” ... “that the USSR was presenting him with the alternative of accepting the Soviet act on Berlin or having a fact to face confrontation.” Memorandum of Conversation; Foreign Relations of the United States, 1961-1963, Volume V, Soviet Union, Document 89.

would no longer have access to West Berlin.⁸³ Khrushchev threatened President Kennedy multiple times that if, once signed, the peace treaty were to be violated by the United States, then the Soviets would defend the East Germans.⁸⁴ It was evident that Khrushchev and the Soviets had come to fear the scenario of a unified Germany allied with the West.⁸⁵ Kennedy did not give in to the Russian leader, but continually attempted to “reiterate his hopes that the relations between the two countries would develop in such a way to avoid confrontation.”⁸⁶

The seemingly rash judgment by the Soviets did not come without warrant, however. The Soviet Satellite was losing many of its East German citizens to West Germany. East Germany was lagging far behind its Western counterpart in terms of economic development, and there were many jobs to be had in West Germany. Between 1950 and 1960, there was on average greater than 200,000 immigrants from the East to the West annually. In 1961 alone, according to West German records, 207,026 East Germans crossed the border.⁸⁷

⁸³ Khrushchev clarified that “in order to save prestige” the Soviets would be alright with “token contingents of troops, including Soviet troops... maintained in West Berlin. However, this would be not on the basis of some occupation rights, but on the basis of an agreement registered with the UN.” Memorandum of Conversation between Khrushchev and Kennedy amongst other US officials; Foreign Relations of the United States, 1961-1963, Volume V, Soviet Union, Document 89.

⁸⁴ Khrushchev said, “He must warn the President that if he envisages any action that might bring about unhappy consequences, force would be met by force. The US should prepare itself for that and the Soviet Union will do the same.” Basically, the Soviet Chairman was threatening that if the US was to enter West Berlin after this time, the Soviets would have no qualms about attacking the intruders. Memorandum of Conversation between Khrushchev and Kennedy amongst other US officials; Foreign Relations of the United States, 1961-1963, Volume V, Soviet Union, Document 89.

⁸⁵ Secretary of States Rusk, in a meeting at Elysees Palace with General De Gaulle on 5 June 1961, discusses the meeting between Khrushchev and Kennedy the previous day. Memorandum of Conversation; Foreign Relations of the United States, 1961-1963, Volume V, Soviet Union, Document 90.

⁸⁶ It was later reported that Chancellor Adenauer had been “pleased” with the way Kennedy stood up to Khrushchev. Memorandum of Conversation; Foreign Relations of the United States, 1961-1963, Volume V, Soviet Union, Document 92.

⁸⁷ Increase in the Labor Force: Between the years 1950-1960, there were more than 6.2 million workers added to the West German industrial labor force. After 1961, West Germany began recruiting Italian, Spanish, Greek and Yugoslav workers to offset the drop in workers coming from the East. Thus between 1960-1965, there were significant increases in workers, at about 200,000 per year. As of September 1964, there were 27.2 million total workers in labor force, and less than 100,000 unemployed workers, and by

The Berlin Wall, Brandt Feels Neglected

The Soviets evidently did not feel reassured after the meeting with President Kennedy, and had become impatient over the number of East German citizens relocating to West Germany. Early on the morning of 13 August 1961, the German Democratic Republic “introduced control measures that effectively prevented residents of the Soviet Zone and East Berlin from entering West Berlin. At the same time, barbed wire and other physical barriers that eventually became ‘The Berlin Wall’ were erected to restrict crossings into the Western sectors of the city.”⁸⁸ Mayor Willy Brandt especially struggled with the building of the Berlin Wall. What perturbed him most about the events of August 1961 was the lack of support he felt from US President Kennedy and the United States. From the outset, the United States was slow to respond to the Soviet action. The first US military patrols did not arrive until 20 hours after the construction site had been initially created. Brandt was infuriated, and even went so far as to call the United States leaders “shitheads”⁸⁹. He felt that the United States should have responded much sooner, and in not doing so, the US leaders had neglected one of their closest allies in the Berliners.

A “crisis of confidence” took place, wherein Brandt and his supporters in the FRG were uncertain about what role in their partnership the United States was actually willing to play. This unrest did not go unnoticed by American diplomats. Three days

September 1965, there were only 85,000 unemployed workers. German History in Documents and Images, “East-West German Immigration Statistics”, *Documents-The New Ostpolitik and German-German Relations*; German History in Documents and Images; http://germanhistorydocs.ghi-dc.org/sub_document.cfm?document_id=92, (accessed 11 April 2012).

⁸⁸ Editorial Note; Foreign Relations of the United States, 1961–1963 Volume XIV, Berlin Crisis, 1961–1962, Document 104

⁸⁹ Lippert, *The Economic Diplomacy of Ostpolitik: Origins of NATO's Energy Dilemma*, 4.

after construction of the wall began, Allan Lightner, the head of the US Mission to Berlin, sent a message to the US Department of State, warning Washington that inaction by the United States may lead to severe repercussions in relations with the FRG down the road.⁹⁰

Even so, Washington did not feel the compulsion to take any sort of serious action, but instead decided to take smaller, “symbolic” measures. John F. Kennedy was unwilling to condone any course of action that he thought might lead to war.⁹¹ The United States’ seemingly slow reaction to the events in Berlin was most likely due to the irritation that the Kennedy administration felt at that time in regard to the West Germans. From internal White House documents, it is evident that the Kennedy administration thought the Berliners were too frequently asking for reassurance from their Western Allies.⁹²

What was clear was that this situation left a bad taste in the mouth of Mayor Brandt. Three days after the Wall went up, Brandt sent Kennedy a letter “between friends” naming the psychological effects the situation might have on the citizens of the Federal Republic, and asking President Kennedy to bring the Berlin question before the

⁹⁰ In a telegram from the US Mission at Berlin to the United States Department of State, Allan Lightner, head of the United States Mission to Berlin (1959-1963) discussed the ensuing feelings in the FRG after the US reaction to the building of the Berlin Wall. He mentioned a lack of United States real action since a statement by the US Secretary of State, and the need to better the “psychological climate” in the FRG at the current time. He recommended taking steps that were not necessarily “substantive”, but instead steps that would “if sufficiently well publicized would evidence the interest and support which we have so often pledged.” If not, Lightner thought there could be a severe worsening of the relationship between the United States and Berlin, and subsequently the United States and the FRG. He said: “What is in danger of being destroyed here is that perishable commodity called hope.”; Telegram from the Mission at Berlin to the Department of State; Berlin, 16 August 1961; Foreign Relations of the United States; 1961-1963; Volume XIV, Berlin Crisis, 1961-1962, Document 114.

⁹¹ John F. Kennedy was quoted as saying “It’s not a very nice solution but a wall is a hell of a lot better than a war.” JFK speaking to US officials, cited in Michael R. Beschloss, *The Crisis Years: Kennedy and Khrushchev, 1960–1963* (New York: HarperCollins, 1991), 278.

⁹² In the same telegram from Allan Lightner, he said “I am aware of the constant need of Berliners for reassurance and of the irritation this often causes.” Telegram from the Mission at Berlin to the Department of State; Berlin; 16 August 1961; Foreign Relations of the United States; 1961-1963; Volume XIV, Berlin Crisis, 1961-1962; Document 114.

United Nations on the basis that “the USSR has violated the Declaration of Human Rights in the most flagrant manner.”⁹³ Brandt must have been agitated, to say the least, when Kennedy replied to Brandt’s letter two days later saying that there was not much the United States would be able to do to better the situation at the current juncture, refusing Brandt’s request to go in front of the United Nations. The one concession the President did make was the reinforcement of US troops in the Western garrison. In essence, President Kennedy was unwilling to threaten the status quo, and risk the advent of war with the Soviet Union as long as he felt that the West Germans were not in grave danger.⁹⁴

The damage to the morale of the Federal Republic of Germany, and that of Mayor Brandt, was not repaired by the “symbolic” increasing of troops in the Western garrison. For one of the first times as a politician, Brandt’s opinions vis-à-vis the United States began to change. Later in his memoir, Brandt described how these events were monumental in the way they impacted his political perceptions from that day forward:

I said later that in August 1961 a curtain was drawn aside to reveal an empty stage. To put it more bluntly, we lost certain illusions that had outlived the hopes underlying them...[East German leader, Walter] Ulbricht⁹⁵ had been allowed to take a swipe at the Western superpower, and the United States merely winced with annoyance. My political deliberations in the years that followed were

⁹³ Letter from Mayor Willy Brandt to President John F. Kennedy; 16 August 1961, Berlin; Foreign Relations of the United States; 1961-1963; Volume XIV, Berlin Crisis, 1961-1962; Document 117.

⁹⁴ In his response letter to Willy Brandt, Kennedy denied almost every suggestion that the Mayor had for action by the United States. Brandt suggested that the President bring the issue before the UN, that the Western Allies proclaim three-power status for West Berlin, and finally that the United States strengthen the American garrison. Kennedy agreed to a significant “reinforcement of the Western garrisons” as a symbolic response, since the “Soviet Union continued to emphasize its demand for the removal of Allied protection from West Berlin.” For the other two suggestions Kennedy said that he had “carefully considered” them, but that they would not be advisable at this time. Letter from President Kennedy to Mayor Willy Brandt; 18 August 1961, Berlin; Foreign Relations of the United States; 1961-1963; Volume XIV, Berlin Crisis, 1961-1962; Document 117.

⁹⁵ Walter Ulbricht was the Chairman of the Council of State of the German Democratic Republic from 1960-1973; Encyclopedia Britannica, Academic. ed., s.v. “Walter Ulbricht” <http://www.britannica.com/EBchecked/topic/613163/Walter-Ulbricht> (accessed February 20 2012).

substantially influenced by the day's experience, and it was against this background that my so-called *Ostpolitik*—the beginning of détente—took shape.⁹⁶

Brandt knew that the West Germans were unable to unilaterally respond to the East German building of the Berlin Wall, because the FRG had relied on the United States to advance the diplomatic interests of West Germany. Brandt now saw that the FRG could no longer place all of its trust in the loyalty and responsiveness of the United States to advance its foreign policy interests, and therefore the country would have to act more independently. It seems that the Berlin crisis was a defining moment, in which Brandt came to the conclusion that the United States was, and would remain, more interested in advancing its own self-interest and policy agenda, and would not risk putting itself in harms way vis-à-vis the Communist bloc, in order to advance the foreign policy of the Federal Republic.

1963 Pipeline Embargo and Grain Embargo

The next noteworthy event in the saga of Adenauer's *Ostpolitik* came with the Pipeline Embargo and the Grain Embargo in 1963. In hindsight, it seems clear that the 1963 Pipeline Embargo was harmful for West German relations with the Soviet Union. With these trade sanctions, the Federal Republic, under the persuasion of the United States, attempted to implement a policy of *negative linkage*, or a policy of negative economic sanctions.⁹⁷ An economic sanction is “any action taken by one nation or group of nations to harm the economy of another nation or group, often to force a political change”.⁹⁸ In order to use *specific linkage*, the Federal Republic would have given the Soviets a specific political action to for the FRG to undertake in order to lift these

⁹⁶ Willy Brandt, *People and Politics: The Years 1960-1975*, trans. J. Maxwell Brownjohn (Boston: Little, Brown and Company, 1976), 20.

⁹⁷ Randall Newnham, *Deutsche Mark Diplomacy: Positive Economic Sanctions in German-Russian Relations*, (University Park: Penn State University Press, 2002), 136.

⁹⁸ Dictionary.com, “The Definition of Economic Sanctions”, Dictionary.com; <http://dictionary.reference.com/browse/economic+sanctions>, (accessed 15 March 2012).

economic sanctions. However, in this case, the Federal Republic and the United States articulated no clear political objectives vis-à-vis the Soviet Union, thus using a policy of *general linkage*.

Both the United States and the Federal Republic of Germany implemented this embargo against the Soviet Union. The logic behind the embargo was the US belief that pipes “over 19 inches” had “military and strategic significance”. The US told the Soviets that it would only lift the embargo if the “Western Allies [were] able [to] feel danger to their national security had lessened.”⁹⁹ A major reason why this embargo was considered to be a form of *general negative linkage* was because there was no specific political concession that the Allies were asking of the Soviets, but instead the vague statement “lessened danger to national security.”¹⁰⁰

Moreover, the United States openly claimed to the Soviets that it hadn’t influenced any of its partners to engage in the same embargo policy toward the USSR, and that the NATO Allies could act on their own to choose to restrict exports—“strictly on their own responsibility in light of their judgment of their own security issues.” However, the US was seemingly well aware of the benefits that would come if the other western countries stood together with the US in solidarity, and cut off the export of these pipes to the USSR. The United States and President Kennedy believed that this embargo

⁹⁹ The phrase to “feel that danger to their national security had lessened” is quite vague. The Soviets were then given no real direction toward a quantitative action they could take in order to have the embargo lifted, which inevitably just made the situation worse. Secretary of State, Dean Rusk, sent a telegram to the US embassy in France discussing an interaction between the US Ambassador to the USSR, Kohler and Soviet Foreign Minister Gromyko. Gromyko mentioned that the head of the Soviet government, Khrushchev had placed emphasis on the problem. In the telegram, Rusk went on to outline the current US position on the pipeline embargo that was discussed. Telegram from the Department of State to the Embassy in France; 11 February 1963; Foreign Relations of the United States; 1961-1963; Volume V, Soviet Union, Document 292.

¹⁰⁰ Newnham, *Deutsche Mark Diplomacy: Positive Economic Sanctions in German-Russian Relations*, 134.

would significantly impair the development of the Soviet economy, which might put the Soviet Union at the mercy of the United States and the Western Alliance.¹⁰¹

Although the US denied the claim, the Soviets were not oblivious to the pressure that was put on Chancellor Adenauer and the FRG to comply with these same sanctions vis-à-vis the Soviets.¹⁰² In an internal memorandum a month after US Ambassador to the USSR Kohler had a discussion with Soviet Foreign Minister Andrei Gromyko regarding the embargo, top US officials admitted that the decision to pursue this policy vis-à-vis the Soviet Union was “debatable” but that the policy line could not now be altered. The US could not modify its position, because it had pressured other countries to also “hold the line on the large diameter pipe”, and changing its position at that late point might have been seen as a sign of United States weakness. The fact of the matter was that the US had put pressure on the governments of the Federal Republic of Germany, Japan and Italy to join the embargo against the Soviet Union, and changing their path could have been understood as admitting that they had misled these other Allied Countries.¹⁰³

Today, the use of negative linkage is generally ill advised when seeking to better relations between two countries. It has been realized that this form of linkage can decrease trust between two states, and lead to general animosity between possible trading partners. Randall E. Newnham, a Professor of Political Science at Pennsylvania State

¹⁰¹ Telegram from the Embassy in the Soviet Union to the Department of State, 25 February 1963; Foreign Relations of the United States; 1961-1963; Volume V, Soviet Union, Document 299.

¹⁰² In a telegram from the Embassy in the Soviet Union to the US Department of State, Kohler discussed a conversation he has with Soviet Foreign Minister Gromyko regarding the embargo. Gromyko accused the United States of putting “gross pressure” on other countries [alluding to the FRG among others] to stop trade with the USSR. Kohler commented that he was “not accustomed to hearing that the US had pressured Adenauer, since [the] usual accusation was that Adenauer had pressured [the] US”. 25 February 1963, Foreign Relations of the United States; 1961-1963; Volume V, Soviet Union, Document 299.

¹⁰³ In a memorandum distributed to US officials by Ambassador at Large, Thompson, he said that although the decision to prevent the export of large-diameter pipe to the Soviet Union was debatable, it was necessary that the United States continue to “hold the line” because to do otherwise would be “damaging” since the US had put pressure on the Germans, Italians and Japanese. 26 March 1963; Foreign Relations of the United States; 1961-1963; Volume V, Soviet Union, Document 306.

University, who focuses on the role of economic aid and sanctions as foreign policy tools, has extensively researched the effect that the pipeline embargo had on the relationship between the Federal Republic of Germany and the Soviet Union, and has commented that the embargo was a complete failure, essentially ruining relations between the two countries for the remainder of the decade, by hardening Soviet attitudes toward the FRG. However, political unfriendliness was not the only consequence for the Federal Republic. From a financial perspective, some industrialists in the Federal Republic of Germany who had “constructed facilities to supply the USSR with pipe” were also harmed from this embargo.¹⁰⁴ A large export contract that businesses in Germany had previously enjoyed was then stripped away from the economy.¹⁰⁵ After the failure of the embargo, the resulting damage to both sides of the Iron Curtain and subsequent ill feelings towards Chancellor Adenauer must have been significant. However, the United States took comfort in the fact that their “dream partner”, Chancellor Adenauer, chose to follow the policy path that the United States had formulated for the Federal Republic.

Despite the failed attempt at the Pipeline Embargo, Adenauer decided it would be appropriate to try yet another form of negative linkage toward the Soviet Union, but this time with a grain embargo. In 1963, the Soviet Union had a terrible grain harvest, so it became necessary for the Chairman of the Council of Ministers of the Soviet Union, Nikita Khrushchev, to make arrangements to import grain from the West.¹⁰⁶ The USSR was allegedly interested in purchasing three million tons of wheat from the United States

¹⁰⁴ Telegram from the Embassy in the Soviet Union to the Department of State; Kohler’s statement to Gromyko; 5 February 1963; Foreign Relations of the United States; 1961-1963; Volume V, Soviet Union, Document 299.

¹⁰⁵ Newnham, *Deutsche Mark Diplomacy: Positive Economic Sanctions in German-Russian Relations*, 136.

¹⁰⁶ Newnham, *Deutsche Mark Diplomacy: Positive Economic Sanctions in German-Russian Relations*, 136.

alone.¹⁰⁷ Adenauer attempted to bring about another set of negative sanctions against the Soviets, this time without combined pressure from the US. This was a case of *negative specific linkage*, where Adenauer made the political outcomes he sought known to the Soviet Union: bringing down the Berlin Wall. Adenauer said “we will sell you foodstuffs but in exchange the wall must be taken down.” However, Adenauer was unable to achieve cooperation on the grain embargo amongst the Western Allies, so the USSR felt little effect from the FRG’s embargo. By the time Adenauer tried to implement this negative linkage, the Soviets had already traded with America, Canada, and Australia, to secure over 8 million tons of wheat.¹⁰⁸ Moreover, the policy move that Adenauer implemented was highly unpopular in West Germany, as he found it difficult to even find members of his own party who supported the embargo. After Ludwig Erhard became Chancellor in October 1963, he immediately approved export licenses for the sale of West German wheat to the Soviets on 28 October 1963, and the embargo was dropped.¹⁰⁹

The repercussions from these two policy failures, together, were felt through the rest of the decade in the Federal Republic. As highlighted by these unsuccessful efforts, it is generally agreed that negative linkage is not often a successful strategy when the goal is to overcome diplomatic and economic barriers between two countries. The United States was complicit in large part, for pressuring Adenauer to implement the

¹⁰⁷ The United States National Security Council saw this shortage in wheat as a “failure of Communism”. The United States hypothesized that if the US was to sell wheat to the USSR, the Soviet’s limited supply of monetary reserves would be spent on food instead of arms. What’s more, the Soviets would be forced to maintain the status quo in the months the wheat was to be delivered, “lest the wheat delivery be halted”. Summary Record of the National Security Council Meeting; Foreign Relations of the United States, 1961-1963, Volume V, Soviet Union, Document 359.

¹⁰⁸ Randall E. Newnham, *More Flies with Honey: Positive Economic Linkage in German Ostpolitik from Bismarck to Kohl*; *International Studies Quarterly*, Vol. 44, No. 1 (Mar., 2000), pp. 73-96; Blackwell Publishing on behalf of The International Studies Association; <http://www.jstor.org/stable/3013970>.

¹⁰⁹ Newnham, *Deutsche Mark Diplomacy: Positive Economic Sanctions in German-Russian Relations*, 138.

pipeline embargo. As a result, the embargos paralyzed Soviet-FRG relations for at least several years.

Increasing His Political Power: Brandt Becomes Leader of SPD and Runs for Chancellor

By the mid 1960's, Brandt was beginning to hold increased political power within the Federal Republic as Mayor of Berlin, and in 1964, he became the leader of the Social Democratic Party.¹¹⁰ In National Security discussions in the United States around that same time, Mayor Brandt was named as an individual who was starting to take the spotlight on foreign policy issues, essentially taking away political power from the current Federal Minister of Foreign Affairs, Gerhard Schröder.¹¹¹ Mayor Brandt began to publically hint at suggestions that the FRG take action that would not only recognize East Germany as a legitimate entity, but also begin normalizing ties between the East and the West. In May 1964, Brandt said: "We should propose joint projects to the peoples of Eastern Europe and make them understand that we do not fear but that, on the contrary, we desire a rise in their living standard to a level comparable to ours."¹¹² Moreover, Brandt started to look toward Eastern trade negotiations. In September of 1964, he wrote a paper regarding Western relations with the states of Eastern Europe, within which he advocated engaging the Eastern European states in the "largest volume of

¹¹⁰ Gottfried Niedhart, *U.S. Détente and German Ostpolitik in The Strained Alliance: US-European Relations from Nixon to Carter*, (New York: Cambridge University Press, 2010), 32.

¹¹¹ In a memorandum from David Klein of the NSC on 23 April 1964 to the President's Special Assistant for National Security Affairs, Bundy, Klein commented about Schroeder, the current chancellor of West Germany, and the individuals within the Federal Republic who had begun to take power from him: "it seems increasingly clear that Schroeder is not as much in control of Germany's foreign policy as we expected or he hoped... In fact, under continuous attack from the right (Adenauer, Strauss, Krone, et al), distrusted by segments of his own party, lacking Erhard's full support... and losing foreign policy initiatives to Willy Brandt, Schroeder's performance for the past months has been halting, ragged and unimpressive." It seems intuitive, then, that Brandt would succeed Schröder as Federal Minister of Foreign Affairs; 23 April 1964, Memorandum From David Klein of the National Security Council Staff to the President's Special Assistant for National Security Affairs (Bundy); 23 April 1964, Foreign Relations of the United States, 1964–1968; Volume XV, Germany and Berlin, Document 30.

¹¹² Paper by Willy Brandt; September 4, 1964, Foreign Relations of the United States, 1964–1968; Volume XV, Germany and Berlin, Document 67.

communications possible”, saying that Western policy toward the East should reside in economic and cultural spectra.¹¹³ These ideas were partially grounded in the notion that the Federal Republic had grown strong enough to advance foreign policy interests on its own behalf, but also the uncertainty that surrounded the talks of the future of American troop presence in Europe.¹¹⁴

In 1965, Brandt ran against Erhard’s reelection campaign for the Chancellorship.¹¹⁵ The two biggest issues between the two candidates were “the question of passes which would permit West Berliners to visit East Berlin...and tactics in the German struggle for reunification.”¹¹⁶ Erhard won the Chancellery, but as Chancellor, he gained the reputation for being a weak leader who had, essentially, failed on domestic issues. Erhard’s time in office was short-lived, as the CDU/CSU-FDP Coalition he had formed was overthrown in 1966.¹¹⁷

1966-1969: The Grand Coalition and Brandt as Foreign Secretary and Vice-Chancellor

¹¹³ Letter from the Deputy Chief of Mission in Berlin (Calhoun) to Secretary of State Rusk; 4 September 1964; The Brandt Paper was an attachment of this communication between Calhoun and Rusk; Foreign Relations of the United States, 1964-1968, Volume XV, Germany and Berlin, Document 67.

¹¹⁴ As early as 1961, certain US senators, such as Democrat Mike Mansfield, were pushing for the reduction of US troops in Europe if the Soviet Union would do the same. In a New York Times article, the senator said that any such reduction would “reduce the drain on American gold reserves while still maintaining the symbol of American commitments to defend Western Europe.” A study was to be undertaken on the European Security and Disarmament. The ranking Republican on the Arms Service Committee, Senator Styles Bridges said that he also supported the plan. These talks, undoubtedly, left some question in the mind of the West Germans. [Mansfield Urges Troop Reduction: He Would Withdraw Forces in Western Europe If Russians Would Too; New York Times (1923-Current file) [New York, N.Y] 02 Jan 1961: 17] After 1966, Mansfield became more adamant about this goal, introducing numerous resolutions which called for the substantial reduction of US troops in Europe, getting, on average, 30-40 senators to support his resolution. Morgan, Roger; *The United States and West Germany, 1945-1973*, 167.

¹¹⁵ This was the second time that the Brandt ran for Chancellor as the SPD candidate, the first time being in 1961. Nixon Presidential Material Project; White House Central Files, Subject Files Co (Countries) [Gen] Co 50 France 1/1/71-through [EY] CO 53 4/11/70-8/31/70, Box 29.

¹¹⁶ Memorandum From the President's Special Assistant for National Security Affairs (Bundy) to President Johnson; Foreign Relations of the United States, 1964–1968; Volume XV, Germany and Berlin, Document 39

¹¹⁷ Merkl, Peter H., *German Foreign Policies, West & East*, (Santa Barbara: Clio Press, Inc, 1974) page 121.

While Mayor of Berlin prior to taking his position as Vice Chancellor under Kurt Kiesinger, Willy Brandt was already working to foster relationships with Soviet leaders. Brandt had been having discussions with the Soviet Ambassador to East Germany, Pyotr Abrosimov.¹¹⁸ Communications between United States officials at this time show that there was already concern over the content of the Brandt- Abrosimov conversations, and whether Brandt would be able to pursue “interests which are shared by the Allies”, a sentiment which became commonplace less than four years later.¹¹⁹ These reservations were indicative of the larger US view toward the incoming Chancellery. Before the new government even took office, the United States viewed the Kiesinger Chancellery in a different light than both the Adenauer and Erhard Chancelleries. The US thought Kiesinger would be more difficult to deal with than past West German leaders, but also more able to handle undertakings.¹²⁰ The United States viewed the outgoing Erhard government as the last West German government of the “post-war era”, responding to traditional postwar influences, whereas this new government would be more likely to express German assertiveness.¹²¹

¹¹⁸ In the analysis by the United States’ John A. Calhoun, from the Mission in Berlin, Brandt thought this open dialogue with Abasimov was “another step forward in the SPD’s effort to open new avenues of approach to the East, an effort in which Brandt has himself taken the leading role.” Calhoun also wrote that this opportunity was giving Brandt the ability to increase his national “prestige” by showing his positions on East-West relations before important elections. The US official thought that Brandt was primarily interested in the talks “for eventually breaking through the impasse that has characterized the German problem for many years, and regarding which he and many other Germans have concluded the Allies are not going to create movement.” Telegram from the Mission in Berlin (Calhoun) to the Department of State, 10 October 1966; Foreign Relations of the United States, 1964-1969, Volume XV, Germany and Berlin, Document 183.

¹¹⁹ It was feared that Brandt may establish a continuing dialogue with the Soviets discussing allied interests, and not disclosing those discussions to the United States, “ultimately undermining” Allied interests in Berlin. Telegram from the Mission in Berlin (Calhoun) to the Department of State, 10 October 1966; Foreign Relations of the United States, 1964-1969, Volume XV, Germany and Berlin, Document 183.

¹²⁰ Foreign Relations of the United States, 1964-1969, Volume XV, Germany and Berlin, Document 184.

¹²¹ Foreign Relations of the United States, 1964-1969, Volume XV, Germany and Berlin, Document 184.

Under Chancellor Kurt Georg Kiesinger, a Grand Coalition was formed in 1966 between the Christian Democratic Union (CDU)/Christian Social Union party (CSU) and the Social Democratic Party (SPD). Willy Brandt, Chairman of the SPD, became the Foreign Minister and Vice Chancellor under the Coalition, and Egon Bahr rose to the position of Head of Planning and to Brandt's special envoy.

1967: Report of the NATO Council on the Future Tasks of the Alliance (Harmel Report)

The Harmel¹²² study was undertaken in 1967 by the North Atlantic Treaty Organization and the Harmel Report was approved in December of that year. It reaffirmed the overall need for the Western Alliance, and became an important document which impacted the direction of the NATO alliance. The Report "reasserted" NATO's purpose, and "effectively introduced" the "notions of deterrence and dialogue".¹²³ It further stated that the two main tasks for the Alliance would be to maintain military strength in order to deter aggression, and to look for solutions to underlying political issues in order to build a more stable international relationship. Overall, it was a broadening of the Alliance's approach to security. This broadening was largely influenced by the primary foreign policy issue of the day: the "US-USSR dealings and West German activity."¹²⁴

August 1968: Warsaw Pact Invasion of Czechoslovakia

¹²² The report got its name, because Belgian Foreign Minister Pierre Harmel who first expressed the need for the report in 1966 when the Alliance was undergoing a crisis period.

http://www.nato.int/cps/en/natolive/topics_67927.htm

¹²³ North Atlantic Treaty Organization, "The Harmel Report",

http://www.nato.int/cps/en/natolive/topics_67927.htm?selectedLocale=en (accessed 5 April 2012).

¹²⁴ Memorandum from the Consular of the Department of State Bowie to the Secretary of State Rusk, 16 October 1967, Foreign Relations of the United States, 1964-1968, Volume XIII, Western Europe Region, Document 270.

The strengthening of the NATO Alliance became a serious matter of discussion in the year after the Harmel Report was released. During the night of 20 through 21 August 1968, the Soviet Union and the Warsaw Pact satellite states invaded Czechoslovakia in order to stop the political spring that was sweeping Prague. The Soviets had applied what later became the “Brezhnev Doctrine” that night. In a speech on 11 November 1968, Soviet Premier Leonid Brezhnev declared that, “a threat to Socialist rule in any state of the East European bloc constituted a threat to all and therefore “must engage the attention of all the Socialist states.”¹²⁵

Censorship had been abolished to the point that free expression had become normality in Czechoslovakia. The Soviets had become concerned about the future of the communist world, since they believed that the situation in Czechoslovakia could act as a contagion, influencing citizens in Poland, Hungary, the FRG and GDR, and even the Soviet Union, to take similar measures.¹²⁶ Signs began to emerge that Soviet action and retaliation might occur; as the Soviet press began professing the military strength of the Soviet Union, and troop movement toward the Czech border.¹²⁷ A fundamental change was in progress in Czechoslovakia, and if untouched by the Soviets could have affected the entire Communist Bloc. The Soviets had much to fear in the case of Czechoslovak

¹²⁵ Memorandum from Helmut Sonnenfeldt of the National Security Council Staff to Henry Kissinger, 22 May 1969, Foreign Relations of the United States, 1969-1976, Volume XII, Soviet Union, January 1969-October 1970, Document 50.

¹²⁶ Meeting between President Johnson, Secretary Rusk and Senator Dirksen on the Czechoslovakian Crisis; 27 July 1968; Foreign Relations of the United States, 1964-1968, Volume XVII, Eastern Europe, Document 74.

¹²⁷ Bohlen reported that Soviet press, such as the *Red Star* was reporting that the “combat readiness of the Soviet army was increasing day by day and hour by hour; Memorandum from the Deputy Under Secretary of State for Political Affairs, Bohlen to Secretary of State Rusk; 26 July 1968; Foreign Relations of the United States, 1964-1968, Volume XVII, Eastern Europe, Document 73.

defection or easing of relations with the Warsaw Pact—including loss of important information to the West, geographic location strategically next to Germany, and a blow to the ideology and orthodoxy of Soviet Communism.¹²⁸

However, the United States did not actually believe that the Soviet Union would take action. A month prior, in a meeting on 24 July 1968 of President Johnson and his Foreign Policy Advisers, the President's Assistant for National Security Affairs, Rostow said: "The Soviets will not move militarily against them, I do not think. I told House we are on the Czech side."¹²⁹ When the Soviet Union did invade, it sent a clear message to the United States and the Western Alliance that the USSR would not simply sit back and watch one of its satellite states leave the Communist bloc. This military action was somewhat shocking to the United States, and in an emergency meeting of the National Security Council at 10:15pm that night, it seemed the overriding feeling was of "confusion".¹³⁰

The events in Czechoslovakia also greatly affected the government of the Federal Republic, including Foreign Minister Brandt. Brandt told Secretary of State Dean Rusk in a letter on 14 September 1968, that it was the belief of West Germany that due to these actions, the appropriate steps should be taken in order to strengthen the Western Alliance.¹³¹ In his book, *My Life in Politics*, Brandt

¹²⁸ A great source of strength for the Communist bloc up until this point was the belief that "there was only one truth, and Communism provides all the answers." This belief would have been shaken had Czechoslovakia become friendly with the West. Telegram from the Embassy in the Soviet Union to the Department of State on the long-range view of Czechoslovak- Russian relations, 2 August 1968; Foreign Relations of the United States, 1964-1968, Volume XVII, Eastern Europe, Document 76.

¹²⁹ Notes of a meeting between the President and his Foreign Policy advisers at lunch, 24 July 1969; Foreign Relations of the United States, 1964-1968, Volume XVII, Eastern Europe, Document 72.

¹³⁰ At this National Security Council Meeting, the Vice President suggested that the US exercise caution, because the Czechs had "touched the heart of the Communist Revolution.", 20 August 1968 Foreign Relations of the United States, 1964-1968, Volume XVII, Eastern Europe, Document 81.

¹³¹ In an undated paper by the United Department of State, the State Department outlined the "grave issues" that the Czechoslovakian Crisis had raised and its affect on the United States and the Western

called this invasion, “a serious setback for our policy.”¹³² However, Brandt still believed that economic relations between the East and the West should be developed further, so long as the Soviet Union take the responsibility of restoring conditions that Brandt thought were irreplaceable for the continuation of the policies of détente.¹³³

Chapter 4: Part I: Brandt Wins the Chancellery and Part II: Implementation of Ostpolitik

Brandt, Schiller and Wehner

From the outset, Willy Brandt understood the importance of using economics to advance his political positions. From his time as mayor and also within the Kiesinger Chancellery as Vice Chancellor, Brandt did not garner the level of popularity that he had hoped to have prior to his campaign for Chancellor in 1969. One of Brandt’s most formidable opponents, the incumbent, Chancellor Kurt Kiesinger, was favored by 54% of the polled sample, while only 32% favored Brandt.¹³⁴ This made it especially important for Brandt to use the assets he could to his advantage. The campaign turned its focus

Alliance. One section of the paper specifically discussed West Germany: The FRG has been “particularly hard hit by the Czechoslovak crisis. The actions of the Warsaw Pact aggressor states have thrown into question the German policy of seeking better relations with the countries of Eastern Europe. Moreover, the rapidity with which the Soviet Union, with little apparent warning, undertook this action, has shaken German confidence in the warning time principle of the NATO strategic concept.” Foreign Relations of the United States, 1964–1968; Volume XIII, Western Europe Region, Document 323.

¹³² Brandt, *My Life in Politics*, 166.

¹³³ Vice Chancellor Willy Brandt expressed these sentiments in a letter to Secretary of State Dean Rusk on 14 September 1968; Foreign Relations of the United States, 1964-1968, Volume XV, Germany and Berlin, Document 288.

¹³⁴ Marshall, *Willy Brandt: A Political Biography*, 122.

toward the economy, and toward the individuals within the Brandt campaign that had had strong track records bringing economic health and stability to the Federal Republic of Germany. Willy Brandt utilized the reputation of Karl Schiller and Herbert Wehner to his advantage.

Karl Schiller was the Minister of Economics, who had a strong track record of bringing economic stability in times of trouble to the FRG. Under the Bretton Woods System, Schiller had been instrumentally involved in maintaining the economic health for the Federal Republic. Schiller was generally well liked, and Brandt was able to use this to his benefit in all aspects of his campaign.¹³⁵ Herbert Wehner left his post as Minister of Intra-German Relations, and became the Chairman of the SPD parliamentary group in the Bundestag after Brandt was elected Chancellor. Schiller and Wehner advanced ideas that were seen as “refreshing” to many citizens of the Federal Republic. As early as 1966, Wehner had already been suggesting that an “economic community between West and East Germany” be gradually established, a seemingly radical suggestion for the time since the Federal Republic of Germany did not acknowledge the existence of the German Democratic Republic as a separate entity in 1966.¹³⁶ Schiller also saw the opportunity for the two Germanys to trade with one another since each had a strategic position: the Federal Republic in the West and the German Democratic Republic in the East. Looking beyond the past and toward the future, the two influential leaders saw the wisdom of mending ties and trade relations with the German Democratic Republic. However, these SPD tactics did not threaten the Christian Democratic Party. In a meeting on 7 August

¹³⁵ In many campaign posters for the SPD, Minister Schiller would be shown the prominent figure, while sometimes Brandt would be placed more on the periphery. ;Marshall, *Willy Brandt: A Political Biography*, 98.

¹³⁶ The Holstein Doctrine remained part of the policy of the Federal Republic of Germany during the Kiesinger Chancellery. The Federal Republic would not establish or maintain relations with any country that recognized the German Democratic Republic as a separate entity from the FRG.

1969, in discussions about the upcoming German elections, a confident Chancellor Kiesinger told President Nixon and Henry Kissinger that “most Social Democrats were resigned to losing and most Christian Democrats convinced of winning.”¹³⁷

Brandt Wins the Chancellery

Controversy was rampant in the White House prior to the official election of the next Chancellor of the Federal Republic of Germany. On 29 September 1969, no single German party won the absolute majority, although the Christian Democratic Party (CDU) (former Chancellor Kurt Kiesinger’s party) came the closest with 242 seats of the 496 seats in the Bundestag, just 7 seats shy of the required majority. The Bundestag in Western Germany was the principle legislative chamber, which possessed the majority of the legislative power. The other chamber in the two-chambered parliament was the Bundesrat, which had “limited” power aside from matters with the Laender, or the ten states of the Federal Republic.¹³⁸ Though the Federal Republic had both a President and a Chancellor, the President was a symbol of authority, but had little power otherwise. The Chancellor had most of the power within the government, since he directed the “administrative structure” and the “legislative leadership.”¹³⁹ Essentially, to be elected as Chancellor of West Germany in 1969 was to be elected to the most powerful position in the country.

There was some confusion about the result of the initial election results within the White House. When President Nixon learned that Kiesinger had earned the most votes,

¹³⁷ Memorandum of Conversation between President Nixon, Chancellor Kiesinger and Henry Kissinger; 7 August 1969; Foreign Relations of the United States, 1969–1976; Volume XL, Germany and Berlin, 1969–1972, Document 23.

¹³⁸ Background Notes: Federal Republic of Germany; United States Department of State Publication 7834; July 1967; National Archives, Nixon Presidential Materials, NSC Files, Country Files, Europe Germany, Vol. I. through April 1969, Box 681.

¹³⁹ Background Notes: Federal Republic of Germany; United States Department of State Publication 7834; July 1967; National Archives, Nixon Presidential Library Materials, NSC Files, Country Files, Europe Germany, Vol. I. through April 1969, Box 681.

he called Kiesinger to congratulate him on what Nixon thought was another term as Chancellor. According to Julie Eisenhower Nixon, her father “placed the call” when David [Eisenhower] told him that he heard that Willy Brandt had been defeated...David felt terrible for giving Daddy the wrong information, especially since he [Nixon] just picked up the phone and called—he’s impulsive that way.”¹⁴⁰ However, this call was made prematurely, because what the President hadn't been aware of was that although Kurt Georg Kiesinger had won the election, he had not won an absolute majority. Since the election produced no clear-cut winner, “a government by coalition [had to] be arranged.” Kiesinger’s arrogance in conversations with Nixon and Kissinger earlier that year had not manifested itself in the victory he seemed to have expected. This opened the door for a possible change in government, potentially one that the Federal Republic of Germany had not witnessed in three decades.

The need for this second election haunted the Nixon Administration for many years to come, contributing to what they saw as their future difficulties and differences with the West German governmental policy decisions. Over a year later, in June of 1971, Kissinger said that this “no decision” for the Chancellery, and no clear-cut victory for Kiesinger was the worst thing that could have happened to the Federal Republic. In a conversation with President Nixon, the Assistant for National Security Affairs complained: “The worst tragedy is that election in ’69. If this National Party, that extreme right wing party, had got three-tenths of one percent more, the Christian Democrats would be in office now.”¹⁴¹ This illustrates the sheer frustrations and

¹⁴⁰ Safire, “Before the Fall: An Inside View of the Pre-Watergate White House” cited in Memorandum of Conversation between President Nixon, Chancellor Kiesinger and Henry Kissinger; 7 August 1969; Foreign Relations of the United States, 1969–1976; Volume XL, Germany and Berlin, 1969–1972, Document 27.

¹⁴¹ Conversation between Nixon and Kissinger, 15 June 1971; Foreign Relations of the United States, 1969–1976; Volume XL, Germany and Berlin, 1969–1972, Document 255.

disappointment that the Nixon administration felt toward relations with the Federal Republic and Willy Brandt, and how the Nixon Administration was more partial to the predictable status quo policies of the Kiesinger Chancellery.

In a memorandum from Henry Kissinger to Nixon, the President's Assistant for Foreign Policy wrote that the "SPD [Social Democratic Party] Chairman Brandt expressed a strong preference for a coalition with the FDP [Free Democratic Party]."¹⁴² Since Brandt had, for many years prior to running for Chancellor, been a member of the Grand Coalition, it may have been a surprise that he was intent on leaving it. However, Brandt's determination to withdraw from the Grand Coalition with the Christian Democrats began while he was Foreign Secretary under Kiesinger. At that time, the Hallstein Doctrine was the Federal Republic's main policy with regard to East Germany. The Hallstein Doctrine held that West Germany would sever relations with any country aside from the Soviet Union that maintained diplomatic relations with the German Democratic Republic. In a meeting with President Richard Nixon and Kissinger in August 1969, Chancellor Kiesinger said that the Hallstein Doctrine was important to the West Germans, because "the majority of the German people, though unhappy about the country's continuing division, would not relinquish the right of self-determination," and thus, he believed that this majority also supported the policy of non-recognition of the GDR. However, Kiesinger knew that there were many young voters and members of the SPD (such as Brandt) who were against the doctrine.¹⁴³

¹⁴² Memorandum from Kissinger to Nixon on "Significance of West German Election"; 29 September 1969; Foreign Relations of the United States, 1969-1976; Volume XL, Germany and Berlin, 1969-1972, Document 27.

¹⁴³ Memorandum of Conversation between President Nixon, Chancellor Kiesinger and Henry Kissinger; 7 August 1969, Foreign Relations of the United States, 1969-1976, Volume XL, Germany and Berlin, 1969-1972, Document 23.

Brandt's disagreement with the doctrine did not arise because he did not believe in self-determination, but instead Brandt saw the relinquishment of the Hallstein Doctrine, and recognition of the German Democratic Republic, as necessary conditions for the eventual reunification of the two German states.¹⁴⁴ Brandt saw the necessity for the FRG to recognize the sister state, the GDR, before relations could be mended. In a June 1969 conversation between President Nixon and Walter Scheel, the soon to be Foreign Minister and Vice Chancellor of Germany under the Brandt Chancellery, Scheel said that, "the Hallstein Doctrine was no longer effective, as more and more Third World countries were granting East Germany diplomatic recognition. The FRG could not withdraw from the Third World, and leave the DDR [Deutsche Demokratische Republik or German Democratic Republic] there as German diplomatic representatives. No purpose was being served by calling such recognitions 'unfriendly acts'."¹⁴⁵

The frustrations that Willy Brandt felt as a part of the Grand Coalition caused him to reconsider his role as Vice Chancellor. Brandt was said to be on the verge of resigning from office in 1968, when Chancellor Kiesinger invoked the Hallstein Doctrine to cut off diplomatic relations with Cambodia. However, Brandt was aware that with the Chancellery election upcoming, resignation would be disastrous for his own chances at election, and the prospect of bringing real change to West Germany. This sparked his determination to pursue his own style of détente outside of the Grand Coalition.

Meanwhile, Brandt realized that he shared many viewpoints with the Federal Democratic

¹⁴⁴ "In connection with Hallstein Doctrine, Brandt said [the] problem [was] essentially one of maintaining and broadening contacts. He agreed with FRG's present course in Eastern Europe of building relations gradually, with initial emphasis on economic contacts." Telegram From the Department of State to the Embassy in Germany on conversation with Willy Brandt; 15 April 1965; Foreign Relations of the United States, 1964-1968; Volume XV, Germany and Berlin, Document 101.

¹⁴⁵ Memorandum of Conversation between President Nixon and Mr. Walter Scheel, 13 June 1969; Nixon Presidential Material Project; White House Central Files, Subject Files Co (Countries) [Gen] Co 50 France 1/1/71-through [EY] CO 53 4/11/70-8/31/70, Box 29.

Party (FDP). The FDP was calling for the normalization of relations with the GDR, acknowledgement of the Oder-Neisse line, and renunciation of the Hallstein Doctrine, all policies that Brandt shared a vested interest in.¹⁴⁶ While Kiesinger saw the Nixon administration's Soviet Policy as "just right", Willy Brandt sought to follow a course of a more aggressive détente through rapprochement.

Thus, Willy Brandt formed a coalition between the SPD and FDP and was elected as Chancellor of Germany by the Bundestag on 21 October 21, 1969. Brandt won the election by an extremely thin margin, as he "received 251 votes, two more than the required absolute majority of 249."¹⁴⁷ Brandt had become the first Social Democratic head of government in nearly 40 years.¹⁴⁸ Rumors circulated that the Nixon Administration had supported the former Chancellor Kiesinger's party, the CDU. Herein lied a fundamental shift in the traditional relationship that US presidential administrations experienced with regard to the Federal Republic.

The Nixon Administration was aware of their rumored favoritism for Brandt's opponent, and wanted to act promptly to mitigate any notion that they were unsatisfied with the new Chancellor. The President was advised to extend a channel for private conversation between the two leaders immediately after Brandt was elected to the Chancellery. It was said to be critical for the President to initially establish a strong relationship with Brandt vis-à-vis the Soviet Union. In a memorandum from Secretary of State Will Rogers to President Nixon on 17 October 1969, Rogers cautioned the President that it was necessary for the Americans to invite Brandt to Washington before the

¹⁴⁶ Marshall, *Willy Brandt: A Political Biography*, 62.

¹⁴⁷ Memorandum from Kissinger to Nixon; 21 October 1969; National Archives, Nixon Presidential Materials, NSC Files, Box 12, President's Daily Briefs, October 11-21, 1969 in Foreign Relations of the United States, 1969-1976; Volume XL, Germany and Berlin, 1969-1972, Document 38, Editorial Note.

¹⁴⁸ Message from Nixon to Brandt, no date; *ibid.*, Box 682, Country Files, Europe, Germany, Vol. III in Foreign Relations of the United States, 1969-1976; Volume XL, Germany and Berlin, 1969-1972, Document 38; Editorial Note.

Russians invited the soon-to-be Chancellor to Moscow. There was “reliable information” that the Russians would be inviting Brandt to Moscow for a meeting. Secretary of State Rogers believed that if the Soviets were able to invite Brandt to Moscow first, it might appear as though the Americans were reacting to the Soviets’ invitation with an American invitation to Washington for the new Chancellor.¹⁴⁹

In his first address as Chancellor, Brandt, in his government declaration, on 28 October 1969, explicitly stated his goal to ease “the current tensions in the relationship between the two parts of Germany.”¹⁵⁰ He further stated his intentions to negotiate “reunification-of-force agreements with the Soviet Union, Poland, and Czechoslovakia” as well as hold formal talks with East Germany in order to foster “agreed cooperation”. The most controversial line of his government declaration was when Brandt acknowledged and named the two Germanys as separate states, when he said: “Even if two states exist in Germany, they are not foreign countries to each other, their relations with each other can only be of a special nature.”¹⁵¹ In a memorandum to Henry Kissinger, Helmut Sonnenfeldt, pointed out a portion of the declaration in which the newly elected Chancellor expressed the changing relationship between the Federal Republic and the United States, in which the FRG could pursue a more “independent policy”. In the margin of the memorandum, Kissinger wrote, “We will come to regret German ‘flexibility’.”¹⁵²

¹⁴⁹ Memorandum to the President from Secretary of State William P. Rogers, 17 October 1969; Nixon Presidential Materials Staff; National Security Council (NSC) Files; Country Files—Europe. Germany Vol III July 1969-11-69 to Germany Vol III July 1969-11-69, Box 682.

¹⁵⁰ German History in Documents and Images, “Willy Brandt, Policy Statement from October 28, 1969: Two States-One Nation” German History in Documents and Images , http://germanhistorydocs.ghi-dc.org/sub_document.cfm?document_id=168 (accessed 2 March 1970).

¹⁵¹ Foreign Relations of the United States, 1969–1976 in Volume XL, Germany and Berlin, 1969–1972, Document 39.

¹⁵² National Archives, Nixon Presidential Materials Staff; National Security Council (NSC) Files; Country Files—Europe. Germany Vol III July 1969-11-69 to Germany Vol III July 1969-11-69, Box 682.

Shifting Interactions

Much of the disfavor that the Nixon administration felt toward the new government in Bonn came because drastic change took place nearly immediately with regard to its Eastern policy. Under the Christian Democratic Chancellor, Kiesinger, and the Grand Coalition, the FRG still wished to better ties with their Eastern counterparts, but primarily, they strove to avoid an outbreak of war. This made the CDU and CSU components of the Grand Coalition doubtful of any plan that entailed the joining of interests between Moscow and Bonn. The Nixon administration's views were very much in line with this way of thinking. It was expected, then, by the Nixon Administration, that the hostilities of the time would remain between the Soviet Union and the Western alliance.

Although Willy Brandt had played a dominant role in the Grand Coalition, which for the first time in many years had an active European policy, the implementation of a reconciliation policy with the East had been mitigated by the differences of opinion within the coalition partners. Brandt had been developing what was seen as his *radical* eastern policy for some time before becoming Chancellor, but the United States had become accustomed to a German ally who was much more obedient and dependent. After taking power, Bonn began working instantly to bring his "change through rapprochement" to realization. In a telegram to the Department of State in November 1969, United States Ambassador to West Germany, Kenneth Rush wrote about the changes in the rhetoric of the West Germans:

Brandt has cast his die. The practical result depends on the Soviet and East German response. This had always been the case with regard to the future of East Germany, but now the Federal Germans would be satisfied with far less than in

the past; there is no more talk of free elections and even the word of 'reunification' has been dropped from the SPD-FDP vocabulary.¹⁵³

The Social Democrats led by Brandt saw Moscow and East Berlin as potential partners, and further believed that the only way to East-West reconciliation would be through equal treatment and negotiation.

Early Interactions with Bahr and Mounting Suspicion

Although the administration generally had positive feelings with regard to the intentions of the Chancellor himself¹⁵⁴, there was greater internal speculation towards other members of the Brandt Chancellery. Prior to his official inauguration, Willy Brandt sent his emissary, Egon Bahr, to have a conversation with President Nixon's Assistant for Foreign Policy, Henry Kissinger on 13 October 1969, in which Bahr wanted to assure President Nixon and the administration "...in Brandt's name, of the basic continuity in German policy and of Brandt's desire to have close relations."¹⁵⁵ Bahr had previously had a career in journalism before taking the post as Berlin Press Chief of the West Berlin Senate. In 1966, he was named Ambassador for Special Tasks in the Foreign Office when Brandt became Minister for Foreign Affairs and subsequently left the Berlin Press Chief position in 1967 to become the Chief of the Planning Staff in the West German

¹⁵³ Rush went on to say that the US should push for an "orderly spaced out sequence of events" with the "closest consultations from the West Germans". Since the lingo had changed, it seemed to some US officials that the West Germans needed to "show greater insistence than it has initially to require benefits from the East Germans equivalent to the concessions it is prepared to make". Telegram from Embassy in Germany (Kenneth Rush) to US Department of State; 7 November 1969; Foreign Relations of the United States, 1969–1976; Volume XL, Germany and Berlin, 1969–1972, Document 41.

¹⁵⁴ In a memorandum to the President, Kissinger described Willy Brandt as having "sincerity and wisdom." Nixon Presidential Materials Staff; National Security Council (NSC) Files; Country Files—Europe. Germany Vol IV 12/69-9 Apr 70 [2 of 2]. Box 683.

¹⁵⁵ Memorandum from Henry Kissinger to President Richard Nixon; regarding visit by Willy Brandt's emissary, Egon Bahr; Foreign Relations of the United States, 1969–1976; Volume XL, Germany and Berlin, 1969–1972, Document 36; National Archives, Nixon Presidential Materials Staff; National Security Council (NSC) Files; Country Files—Europe. Germany Vol III July 1969-11-69 to Germany Vol III July 1969-11-69. Box 682.

Foreign Office. Under the Brandt Chancellery, Bahr gained the official title of State Secretary in the Chancellery.¹⁵⁶

In that initial meeting, Bahr also “outlined a series of German moves toward the USSR, Poland and East Germany”. Kissinger was hesitant with regard to the true intention of the new West German government as he “believed they could become troublesome if they engender euphoria, affect Germans’ contribution to NATO and give ammunition to our own détente-minded people here at home.” In the margin of his memorandum to the President, Kissinger wrote: the “Germans may wind up combining the disadvantages of every course of action. The cohesion of the FRG is not strong enough to sustain a very great area of maneuver.”¹⁵⁷ From the start of the relationship between the Nixon administration and the Brandt Chancellery, Bonn made its intentions clear: to act in a more independent manner vis-à-vis the United States than they had in the past. The two concluded the meeting by deciding that the United States would deal with West Germany as “a partner, not a client.”¹⁵⁸

In the following days, Nixon sent Brandt a message, congratulating Brandt on his victory, and suggesting that the two leaders should have direct consultation on “matters of mutual interest”.¹⁵⁹ Kissinger and Bahr had discussed this potential back channel in their conversation on 13 October 1969, however, Kissinger had warned the President that in the past Bahr had not had a reputation for discretion, so this connection would have to

¹⁵⁶ Nixon Presidential Material Project; White House Central Files, Subject Files Co (Countries) [Gen] Co 50 France 1/1/71-through [EY] CO 53 4/11/70-8/31/70, Box 29.

¹⁵⁷ National Archives, Nixon Presidential Materials Staff; National Security Council (NSC) Files; Country Files—Europe. Germany Vol III July 1969-11-69 to Germany Vol III July 1969-11-69. Box 682.

¹⁵⁸ Foreign Relations of the United States, 1969–1976; Volume XL, Germany and Berlin, 1969–1972, Document 36; Nixon Presidential Materials Staff; National Security Council (NSC) Files; Country Files—Europe. Germany Vol III July 1969-11-69 to Germany Vol III July 1969-11-69. Box 682; File 3505

¹⁵⁹ Message from Nixon to Brandt, no date; *ibid.*, Box 682, Country Files, Europe, Germany, Vol. III in Foreign Relations of the United States, 1969–1976; Volume XL, Germany and Berlin, 1969–1972, Document 38; Editorial Note

be tested.¹⁶⁰ It became common practice for Kissinger and President Nixon to set up these back channels of communication with other country's leaders. They found these private networks to be useful, because it allowed Nixon and Kissinger to make decisions independently of the State Department, who sometimes held stark differences of opinion from Nixon and Kissinger. Moreover, for Kissinger it was beneficial, because it gave him more direct influence in decisions that were made. In hindsight, President Nixon and Mr. Kissinger may also have wanted to create this back channel because of the skepticism they felt toward Brandt's *Ostpolitik*, and the knowledge that the State Department was more favorably inclined toward the new Brandt policy. Later on, this back channel would create an interesting paradox, because it was kept secret "not only from the public but also from the State Department and the West German Foreign Ministry as well as the French and the British governments."¹⁶¹ Meanwhile, in briefings for President Nixon and Henry Kissinger, US State Department officials urged the President and his advisor to consider the possible benefits of the new *Ostpolitik*, and not to dismiss the Federal Republic's strategy before they had given it enough time to come to fruition.

The White House version of détente, at least from the viewpoint of Nixon and Kissinger, would more or less simply ensure that the Soviet Union did not become a threat to the world, and that the "conflict of systems would be less dangerous."¹⁶² Their fear was also that the growth of German nationalism could again develop into something

¹⁶⁰ Memorandum from the President's Assistant for National Security Affairs to President Nixon, regarding visit by Egon Bahr; 20 October 1969; Foreign Relations of the United States, 1969–1976; Volume XL, Germany and Berlin, 1969–1972, Document 36; Nixon Presidential Materials Staff; National Security Council (NSC) Files; Country Files—Europe. Germany Vol III July 1969-11-69 to Germany Vol III July 1969-11-69. Box 682;.

¹⁶¹ Niedhart, *US Détente and German Ostpolitik in The Strained Alliance*, 31.

¹⁶² Lippert, *The Economic Diplomacy of Ostpolitik*, 23.

more problematic, mirroring the rise of Hitler and the Third Reich. However, Brandt was well aware of these feelings of mistrust and suspicion that other countries had toward the FRG. In 1968, in his memoir, Brandt wrote:

German foreign policy today bears not only the burden of the second lost war and not only the burden of the Hitler regime. It bears still another burden: the mistrust of many people in countries abroad as to the authenticity of our desire for reconciliation and as to whether the democrats in Germany are strong enough to assert themselves and implement their desire for reconciliation.¹⁶³

Further complicating matters, Egon Bahr was not highly trusted by the United States. In a February 1970 memorandum from Kissinger to Nixon, Kissinger referred to Bahr as “deeply mistrusted”. Kissinger believed that if “Brandt pursued the quest for normalization, his advisors and supporters would eventually succeed in leading him to jeopardize Germany’s entire international position.” Others felt the same way. After returning from his trip to Europe in December 1969, Secretary of State William P. Rogers debriefed the National Security Council on his trip to Europe. He referred to Bahr as “a reptilian. I wouldn’t trust him as far as I could throw him.”¹⁶⁴

In his memoir, Kissinger noted that he “had known Bahr from Brandt’s days as Mayor of Berlin when Bahr was press spokesman...Bahr was a man of great intelligence and extraordinary confidence in his ability to devise formulas to overcome a diplomatic impasse.” Kissinger believed that he was dedicated to improving relations between the two Germanies, and

he believed that good personal relations with the Soviet and Eastern personalities would assist this effort. His vanity caused him to flaunt these contacts and it was no doubt occasionally exploited by his counterparts...Though Bahr was a man on the left, I considered him above all a *German nationalist who wanted to exploit Germany’s central position to bargain with both sides*. He was the type that has

¹⁶³ Brandt, Willy, *A Peace Policy for Europe*, trans. Joeal Carmichael (New York: Holt Rinehart and Winston, 1968) page 11.

¹⁶⁴ Rogers’ debrief on trip to Europe, 10 December 1969, Foreign Relations of the United States, 1969–1976; Volume XL, Germany and Berlin, 1969–1972, Document 45.

always believed that Germany could realize its national destiny only by friendship with the East... To him, *America was a weight to be added to West Germany's scale in the right way at the right time*, but his priority was to restore relations between the two Germanies above all.¹⁶⁵

While many within the White House believed that Willy Brandt, himself, was a leader with good intentions, they also believed that others within the Chancellery were not to be trusted and that they could negatively impact the outcomes of Brandt's policy intentions in the long-run. After Chancellor Brandt and Bahr visited the White House for the first time in April of 1970, in a phone conversation with Kissinger, President Nixon said that he "couldn't believe that person Bahr!"¹⁶⁶

Nothing is Wrong

By definition, the Federal Republic existed largely because of the United States, and this was the basis for the relationship between the two countries. In the midst of the Cold War, one of the worst scenarios the United States could fathom would have been losing West Germany's allegiance to the Communist bloc of Eastern Europe. Fear of this potential within the Nixon administration grew early on. Kissinger and Nixon believed that although Brandt's goals were admirable, the Federal Republic was in no position to be making these arrangements unilaterally with Eastern Europe, and particularly, the Soviets. They believed that the West Germans were naïve, and the Soviet intentions were not on par with West German intentions. After his initial meeting with Egon Bahr on 13 October 1969, Kissinger told Nixon:

The Germans may wind up combining the disadvantages of each of their major policies: getting sucked into more and more concession to "save" their new Eastern policy while causing their Western allies to question their reliability. It is

¹⁶⁵ Kissinger, *White House Years*, 411.

¹⁶⁶ The President was obviously not too impressed with Egon Bahr. He told Kissinger that saying hello to him "was enough!!" Library of Congress, Manuscript Division, Kissinger Papers, Box 362, Telephone Conversations, Chronological File, in Foreign Relations of the United States, 1969-1976, Volume XL, Germany and Berlin, 1969-1972, Document 81.

questionable whether the internal strength and cohesion of the FRG is strong enough to sustain a series of frustrations and setbacks.¹⁶⁷

Kissinger's fear was that the West Germans were not in a strong enough position to be successful in *Ostpolitik* without feeling the need to sacrifice their relations with the West in order to achieve the political and economic outcomes that they sought in the Eastern Bloc. Moreover, the United States thought that the more the West Germans were "sucked into" negotiations and deals with the East, the more the Federal Republic would be uprooted from the Western Alliance.

Less than two months after Brandt came to office, suspicions began swirling in the media that the United States was not expressing their true position with regard to Willy Brandt's Eastern policies. It seemed that the White House found themselves' having to defend against written stories from the reporters in the Federal Republic and also the United States, such as the publications, *Die Welt*, and *The New York Times*.¹⁶⁸ In the *New York Times*, David Binder wrote a story telling of some "people in the White House close to Kissinger" that had filed a formal complaint on German failure to consult the Americans on matters of *Ostpolitik*. Although these frustrations were exchanged in internal meetings, memorandums, and notes, Nixon, Kissinger and most importantly, the United States State Department felt that it was necessary to ensure that the US maintained a united public front with West Germany vis-à-vis the Soviets and the Communist Bloc,

¹⁶⁷ "The previous two sentences are based on Kissinger's comment in the margin of the draft: 'Germans may wind up combining the disadvantages of every course of action. The cohesion of the FRG is not strong enough to sustain a very great area of maneuver.'" Memorandum from the President's Assistant for National Security Affairs (Kissinger) to President Nixon, regarding the 13 October 1969 visit by Egon Bahr, Willy Brandt's assistant; National Archives, Nixon Presidential Materials, NSC Files, Country Files, Europe Germany, Vol. III. Box 682.

¹⁶⁸ Memorandum for the Record; Subject: Conversation with German Minister on Newspaper Article About Alleged White House Views; Nixon Presidential Materials Staff; National Security Council (NSC) Files; Country Files—Europe. Germany Vol IV 12/69-9 Apr 70 [2 of 2]. Box 683.

as not to appear “broken” or undecided.¹⁶⁹ The US did not want to give the Germans the perception that there was any sort of disagreement, alarm, or unsettled feelings with regard to the West German policy pursuits.¹⁷⁰ The belief within the Administration, especially amongst State Department members, was that if there became a divided front, then the United States would lose some of its leverage against the Soviet Union. In a meeting with Chancellor Brandt on 6 December 1969, Secretary of State William P. Rogers complemented the West German policy, and said that the United States “applauded the German initiatives in Eastern Europe” further stating that it was “very important that the US and other NATO partners show understanding for what his [Brandt’s] government was doing.”¹⁷¹ Rogers either was misinformed or was not being entirely candid when he told the Chancellor that the US “never had any doubt” about the Federal Republic’s position in the Western Alliance.¹⁷²

Subsequently, as news leaks would report that the United States was not in favor of the new *Ostpolitik*, the administration would publicly deny these reports in order to present unity of the Western Alliance. However, it was almost evident by the lack of stance, and lack of action, from the United States that the Nixon Administration did not look too graciously upon Willy Brandt’s plans. Since Nixon was determined to maintain

¹⁶⁹ Frequently, in internal documents between US officials, the German problem would be addressed as “complicated” and it was reiterated time and again that the United States wished “to avoid the appearance of differences or distrust between us and the new German Government.” Assistant Secretary of State Martin Hillenbrand expressed these sentiments in a February 1970 letter to the Deputy Chief of the Mission in Berlin. Fessenden. Foreign Relations of the United States, 1969-1976, Volume XL, Germany and Berlin, 1969-1972, Document 53.

¹⁷⁰ In a letter from the US Ambassador to Germany, Kenneth Rush to the Assistant Secretary of State, Martin Hillenbrand, Rush stressed that at the current time, the “US should be careful not to give the impression that we are alarmed or complaining”; Letter from US Ambassador to Germany Kenneth Rush to Assistant Secretary of State, Martin Hillenbrand; 17 November 1969; Foreign Relations of the United States, 1969–1976; Volume XL, Germany and Berlin, 1969–1972, Document 43

¹⁷¹ Brandt replied to the US Secretary of State that he and his colleagues were not “adventurous or stupid” and that they would maintain “a strong position within the Western Alliance and Western Europe.” Nixon Presidential Materials Staff; National Security Council (NSC) Files; Country Files—Europe. Germany Vol IV 12/69-9 Apr 70 [2 of 2]. Box 683

¹⁷² Probably the latter.

the diplomatic status quo, the United States was, for periods of time, very inactive, tentative, and uncertain of how to respond to the changes that were happening in the European political scene.

Internal Disagreement

Although Nixon and Kissinger were evidently against *Ostpolitik* from the outset, those in the State Department did not have such negative views towards this “change through rapprochement.” In a National Security Council Review Group meeting on 23 January 1970, the group reviewed a draft paper of the United States policy toward Europe, within which, they discussed West Germany. Among the problems listed was, “The Eastern policy (*Ostpolitik*) which the new Brandt government apparently intends to pursue could introduce a potentially troublesome and disruptive element in East-West relations and within the Alliance.”¹⁷³ During the meeting, Assistant Secretary of State for European Affairs Martin Hillenbrand said that he was troubled by the “rigid dichotomy” of the paper, and that by raising specific issues, the paper assumed a “static and not dynamic situation”, in which judgments, if accepted, would “predetermine the answers”, specifically mentioning the supposition that there was “something inherently dangerous in the German conduct of its relations with the East.”

Other senior members of the State Department, including the German Country Director, James Sutterlin, agreed with Hillenbrand, and felt that the paper was “loaded with anti-German assumptions,” such as the premise that Hillenbrand proceeded to point out: “the Federal Republic is likely to pursue its Eastern policy at the expense of the U.S.” Kissinger recognized the shortcomings with the draft, and agreed to make the changes necessary so that the paper would include analysis of the possible advantages of

¹⁷³ Discussion of United States Policy Toward Europe, undated, Foreign Relations of the United States, 1969–1976; Volume XL, Germany and Berlin, 1969–1972, Document 49.

this new Eastern policy, and that it made a clear distinction between “a German policy pursued at the expense of Western ties, and a German policy which might raise problems, despite German intentions.”¹⁷⁴ However, the changes that Kissinger agreed to make in no way demonstrated a change in the position that he, or the President felt toward this new policy. There were substantial differences of opinion within the White House, and Kissinger knew what he must do in order to appease all parties involved. It became evident, here, why Kissinger and Nixon had earlier decided to create the back channel with Brandt and Bahr. They knew that it would have been far more difficult for them to pursue their ideal form of détente with the Federal Republic if they had to consult with the State Department and other staff members even more frequently throughout the process.

IMPLEMENTATION: PART II

¹⁷⁴ Discussion of United States Policy Toward Europe, undated, Foreign Relations of the United States, 1969–1976; Volume XL, Germany and Berlin, 1969–1972, Document 49.

Osthandel

Osthandel, or Eastern Trade soon became the central tenant of the West German *Ostpolitik* policy. Although the Federal Republic realized that its partnership with the United States was important for success with its endeavors, the same way that Brandt's predecessors saw the importance of this relationship, the Brandt chancellery saw an opportunity that it could exploit in regard to the implementation of *Ostpolitik*. Brandt knew that the US would probably not want to sacrifice its public image and risk a crack in the united Western front against the Communist bloc by publically reprimanding West Germany for its more independent, aggressive moves toward the Eastern bloc. Not that this would have been possible, anyway. The Western German economy had become too strong for the United States to continue maintaining the same father-son relationship that had been the norm since the conclusion of World War II. The indebtedness that the West Germans once felt they owed the United States was still present, but Willy Brandt wanted to act more independently. Moreover, Brandt felt reassured, because he had become fairly confident that the United States would not withdraw its troops from Germany.¹⁷⁵ It is ironic, because previously as Mayor of Berlin, Brandt had rejected the idea of *Osthandel* as a tool for creating communication with the Soviets.¹⁷⁶

What made the relationship with the USSR that much easier for Brandt to develop was the fact that the Soviets had been in favor of Brandt becoming the leader of the SPD and subsequently supported his candidacy for Chancellor of West Germany. The Soviets were aware of Brandt's positions by this time, and they knew that they could reap

¹⁷⁵ The US stressed to the new Brandt government many times that the FRG should not base its policy objectives on the assumption that the United States would be withdrawing troops from Europe. Prior to his first trip to Bonn, one of Secretary of State Rogers' objectives was named as "to urge the Germans not to base their policy on the assumption that US troop withdrawals are inevitable." Foreign Relations of the United States, 1969-1976, Volume XXXIX, European Security, Document 13.

¹⁷⁶ Lippert, *The Economic Diplomacy of Ostpolitik*, 3.

diplomatic and economic gains from improved Western ties. There were specific benefits that the Soviets expected to result from a relationship with West Germany, such as: the ability to “infuse its ailing economy with foreign capital and technology” “gain respect as a superpower on an equal footing with the United States and secure its empire in Eastern Europe by furthering Western acceptance of the status quo.”¹⁷⁷ However, aside from the economic benefits, gaining more equal standing with the US must have been one of the largest attractions for the USSR. An opportunity to weaken the FRG’s roots in the Western Alliance to the detriment of the United States was invariably an appealing possibility for the Soviets, and the Brandt Chancellery was willingly assisting them in that direction.

Brandt initiated his *Ostpolitik* through talks with the Soviet Union, because he knew that the GDR and Soviet Union were strong allies, and the Federal Republic would need to normalize relations with the Soviet Union as the first step, before it could move forward with political efforts in the other Communist satellite countries.¹⁷⁸ Essentially, then, the foundation for Brandt’s new *Ostpolitik* was based on *Osthandel*, through negotiations seeking out trade first with the Soviet Union.¹⁷⁹

January 1970: First Gas-Line Deal

Three months into office, Brandt successfully completed the first agreement with the Soviets, which was both economically and politically significant, with the signing of a gas-line deal. The Brandt government had facilitated negotiations between the Soviets and representatives of the German steel industry. Brandt had been involved in encouraging Ruhrgas AG, a West German steel company to agree to the deal. “What

¹⁷⁷ Schaefer, *Ostpolitik 1969-1974*, 81.

¹⁷⁸ Lippert, *The Economic Diplomacy of Ostpolitik*, 26.

¹⁷⁹ Spaulding, *Osthandel and Ostpolitik: German Foreign Trade Policies in Eastern Europe from Bismarck to Adenauer (Monographs in German History)*, 52.

this meant for Ruhrgas AG was aiding a future competitor in order to help gain footing in German natural gas industry.”¹⁸⁰ This was a twenty-year deal signed by the Soviet foreign trade ministry and FRG Ruhrgas AG, in which gas would be delivered to the Federal Republic.¹⁸¹

This was more or less a strategic foreign policy move masked as an economic agreement for the West Germans. The business arrangement was used to promote better relations between the two countries, and thus foster better long-term diplomatic as well as economic ties. Originally, it may not have been beneficial for all German companies involved. An assessment from the Economics Ministry in Bonn found that the gas that the Soviets would be supplying to the West Germans would be of little commercial interest, because the West Germans essentially had no need for this Soviet gas.¹⁸²

Importantly, the Soviets were well aware that Brandt’s foreign policy objectives required their cooperation, and thus they gained the upper hand during these negotiations. The agreed upon trade was on pretenses very favorable for the USSR: the Soviet Union would only have to provide “one-eleventh of the values of the trade deal as down payment and did not have to start repaying the loan until three years after completion.” The Germans also gave the Soviets an interest rate that was a point and a half below the market rate at 5 percent instead of 6.5 percent.¹⁸³

¹⁸⁰ Lippert, *The Economic Diplomacy of Ostpolitik*, 47.

¹⁸¹ This deal was expanded upon in both 1972 and 1974. This was part of the “Gas for Pipe” deal in which the Soviets would export gas in exchange for steel pipe deliveries from the Federal Republic. The first delivery of gas from the Soviet Union to the FRG was not actually made until 1973. Jonathan Stern, “Gas pipeline co-operation between political adversaries: examples from Europe” *Korea Foundation*, (January 2005) <http://www.chathamhouse.org/sites/default/files/public/Research/Energy,%20Environment%20and%20Development/jsjan05.pdf>, (accessed 16 April 2012).

¹⁸² Talking Points Memo, Secretary v. Dohnanyi trip to the Soviet Union, “Einfuhr sowjetischen Erdgases nach Bayern,” 20 May 1969, in Werner D. Lippert in *The Economics of Ostpolitik in The Strained Alliance*, 69.

¹⁸³ Newnham, *Deutsche Mark Diplomacy: Positive Economic Sanctions in German-Russian Relations*, 159.

Nixon and Kissinger must have been both frustrated and surprised with how quickly Brandt was able to bring about successful negotiations with the Soviet Union, on a project that the US had previously been pursuing themselves. Nixon had wanted to explore engaging in trade with the Soviets but by spring of 1969 had decided against it.¹⁸⁴ The President never planned on making any concessions, instead it would be a “political weapon” to use against the Soviets.¹⁸⁵ This exemplified a fundamental difference in principles between Nixon and Brandt. Where Brandt thought true amicable relations and friendship with the Eastern Bloc might be possible, Nixon thought the Soviets could only be dealt with as an adversary by staying a distance away. It was undoubtedly unsettling for the President Kissinger that such a “monumental deal would be complete within three months after negotiations had been dragging on for years.”¹⁸⁶ Brandt had successfully used his new approach and economic leverage to bypass the Nixon administration and accomplish something that the United States government had been trying to negotiate with the Soviets for some time.

March 1970: Erfurt meeting between Brandt and Stoph, Leaders of the Germans

On 19 March, 1970, the heads of state from East and West Germany, Willi Stoph and Willy Brandt, met in Erfurt, East Germany. The meeting itself was inconclusive, but

¹⁸⁴ President Nixon’s decision was not met with support from all members of the National Security Council. On 22 May 1969, Helmut Sonnenfeldt wrote to Henry Kissinger deploring the President’s decisions the day before at a NSC meeting in which he made “a series of negative decisions on East-West trade issues”, saying that the President had surrendered a “flexible instrument of policy” vis-à-vis the East. “More fundamentally” Sonnenfeldt wrote, “I find disturbing the apparent decision, as I understand it, to withhold a “generous” Eastern trade policy until there is “sufficient progress” in our “overall relations” with the Communists.” Sonnenfeldt thought there was no definable threshold between sufficient and insufficient progress, confrontation and negotiation, but a mix of both was realistic. Memorandum from Helmut Sonnenfeldt of the National Security Council Staff to Henry Kissinger, 22 May 1969, Foreign Relations of the United States, 1969-1976, Volume XII, Soviet Union, January 1969-October 1970, Document 50.

¹⁸⁵ Richard M. Nixon, *The Memoirs of Richard Nixon* (New York: HarperCollins 1978), 343.

¹⁸⁶ Lippert, *The Economics of Ostpolitik in The Strained Alliance*, 74.

the two decided they would reconvene on May 21st in Kassel, West Germany.¹⁸⁷

However, the lack of specific results of the talks was not any sort of serious disappointment, because this meeting was monumental in that it represented the first time that a West German Chancellor had travelled to East Germany since the start of the Cold War.¹⁸⁸ Upon arrival, Brandt received a “tumultuous” response from the East German crowd, who cheered and shouted for the West German Chancellor. The citizens of East Germany chanted, “Willy” and then “Willy Brandt”, in order to distinguish which leader they were referring to.¹⁸⁹ The following day, President Nixon was seemingly pleased to hear of the reception for Chancellor Brandt, and he said: “K—Good. This will scare the hell out of the Soviets. They have their problems and may come to us to help pull them out.”¹⁹⁰

Willi Stoph, the East German Premier, “was adamant that the Federal Republic of Germany immediately recognize the German Democratic Republic, and allow it to

¹⁸⁷ Editorial Note on Meeting Between the Two German Leaders; Foreign Relations of the United States, 1969-1976, Volume XL, Germany and Berlin, 1969-1972, Document 66.

¹⁸⁸ Prior to the meeting, on 10 March 1970, Kissinger sent Nixon a memo discussing the current status of Brandt’s *Ostpolitik*. After reading President Nixon left the note: “K—It looks like Brandt is over his head. He has very little to offer—and they have a great deal.” Nixon was referring to Brandt’s upcoming meeting with Willi Stoph in Erfurt. National Archives, Nixon Presidential Materials, NSC Files, Country Files, Europe, Germany, Vol. IV. Box 683.

¹⁸⁹ Moreover, some of the bystanders held up signs with the letter “Y” on them in order to show which “Willy” they were referring to.

¹⁹⁰ Although Nixon may have been pleased by the response that the visiting Chancellor received in East Germany, Nixon was not so pleased with the overall situation. In a memorandum on 26 March 1970, Assistant Secretary of State for European Affairs, Martin Hillenbrand expressed the administration’s feelings on the situation when he wrote: “Brandt has pushed ahead with his Eastern policy more rapidly than most expected. His basic concept, heavily influenced by his close adviser, Egon Bahr (who has long been distrusted in the CDU), is that by accepting the realities of the current situation in Germany the Federal Republic can in the long run bring about a diminution of the East-West barrier that divides the country. In the process, Brandt believes the Federal Republic can achieve a position of greater influence and independence both in Eastern and Western Europe.” 20 March 1970, Foreign Relations of the United States, 1969-1976, Volume XL, Germany and Berlin, 1969-1972, Document 72.

enter into all international organizations.¹⁹¹ Meanwhile, Brandt “spelled out” his definition of the special relationship he saw between the two Germanys. The three areas of discussion that Brandt wished to revisit in their May meeting were: relations between the two Germanys, communications, and means to alleviate obstacles to human contacts. About their talks, Willy Brandt said: “I am proceeding from the premise that our relations must be based on nondiscrimination and equality. Neither of us can act for the other, neither can represent the other part of Germany abroad. This is the result of which we—whatever the feelings—acknowledge.”¹⁹²

CDU Chairman Barzel Voices Unhappiness with Brandt’s Eastern Policy

By the spring of 1970, misgivings about the Brandt policy were not unique to the US government. In a telegram from the Embassy in Germany on 25 March 1970, the US Ambassador to Germany, Rush, wrote about a conversation he had in regards to Brandt’s Eastern policy with Rainer Barzel, FRG Chairman of the CDU. Barzel had told Rush that “it was time to draw the line” on this Eastern policy, in an attempt to enlist US support to oppose Brandt’s *Ostpolitik*. Barzel cited the Brandt government’s refusal to consult with the CDU regarding this new strategy, and his fear of the long-term repercussions the policy could have for Europe.¹⁹³ Barzel sought to impress upon Rush what he saw as the larger implications of this policy: “a change in the European balance of power which

¹⁹¹ Memorandum from the President’s Assistant for National Security Affairs (Kissinger) to President Nixon; 20 March 1970; Foreign Relations of the United States, 1969-1976, Volume XL, Germany and Berlin, 1969-1972, Document 74.

¹⁹² United States Department of State. Documents on Germany, 1944-1948. Washington: Department of State, p 1079 (Department of State Publication 9446).

¹⁹³ Barzel said: “Under the present political and military circumstances in Europe, this [continued] action would amount to a general accommodation of the USSR by the Western Alliance, with absolutely no recompense in return. The aftereffects would be extremely serious. German politics would be split down the middle. A nationalist reaction would develop. From Helsinki to Rome—in every capital in Europe—the Soviet word, Soviet policy, Soviet desires would have more weight. Europe would no longer be assured of its freedom and independence and would come to terms with the Soviets.” Telegram from the Embassy in Germany to the Department of State, 25 March 1970; Foreign Relations of the United States, 1969-1976, Volume XL, Germany and Berlin, 1969-1972, Document 69

would have pronounced effects on the future of Europe.”¹⁹⁴ Although Barzel’s views mirrored many of the same concerns United States officials had discussed regularly within National Security Council meetings, the US government did not wish to become directly involved in internal West German disputes regarding Eastern policy.¹⁹⁵ As preparations began for Brandt and Bahr’s first trip to the White House in April of 1970, internal communications amongst American officials frequently reiterated that “general support” should be given for the improvement of FRG relations with the East, but that no specific approval should be made.¹⁹⁶

At this point, the United States was primarily concerned with keeping peace within the Western Alliance. Strategically, there was fear that if the US were to openly support either Brandt or his adversaries too strongly, then this could have major repercussions in Western Europe. This manifested by the fact that although the United States maintained these reservations with the Brandt policy, it made no direct efforts to publically his approach, but instead continuously showed marginal support. In this case, if the US government had chosen to side with Barzel, it might have been possible to deter *Ostpolitik*, at the risk of bringing down the Brandt government. For the time being, it

¹⁹⁴ At the end of the telegram, Rush summed up the situation by writing: “Barzel and other CDU leaders are telling us with increasing insistence that we have to stop the SPD before it is too late.” FRUS, 1969-1976, Volume XL, Germany and Berlin, 1969-1972, Document 69

¹⁹⁵ Memorandum from HAK to Secretary of State Rogers; 8 April 1970; Foreign Relations of the United States, 1969-1976, Volume XL, Germany and Berlin, 1969-1972, Document 77

¹⁹⁶ In preparation for Brandt and Bahr’s visit to the United States, Kissinger reiterated the point to President Nixon that the US should not indicate too strongly that the government was inclined toward or against Brandt’s Eastern policy: “the CDU also has recently tried to enlist our support to halt what one CDU leader described as a ‘total capitulation’. In short, there is some danger that we are becoming the object of an internal West German political battle. This suggests that any endorsement we give Brandt should be no more than general support for the improvement of the FRG’s relations with the East—without approving specific FRG moves.” Memorandum from Henry Kissinger to President Nixon regarding Bonn Negotiations with the East; 7 April 1970; Foreign Relations of the United States, 1969–1976, Volume XL, Germany and Berlin, 1969–1972, Document 74

was more important for the US to maintain stability in the Western Alliance.¹⁹⁷

Effectively, the United States was boxed into a corner of inaction.

Four Power Talks on Berlin begin on 16 March 1970¹⁹⁸

The first session of the quadripartite talks began in Berlin on 26 March 1970. In its opening remarks, the United States expressed the same sentiments that it had previously, reiterating its welcoming of economic, social, juridical and monetary ties between the FRG and West Berlin, but not integrating West Berlin into the FRG political structure. The United States sought the improvement of communications between the two sides of Berlin, procedures for assuring the movement of traffic between the FRG and West Berlin, and an end to the restrictions on West Berlin's travel and trade with Eastern European countries.¹⁹⁹

April 1970: The German-American Summit on *Ostpolitik*

Willy Brandt and Egon Bahr came to the White House in April of 1970 to have the first face-to-face meeting between Brandt and Nixon since the two were elected Chancellor and President of their respective countries. From the outset, United States' feelings were less than amicable toward the West Germans at this time, exacerbated by the fact that Brandt asked to vacation at Camp David for a week without an invitation

¹⁹⁷ For the first time in FRG history, on 27 April 1972, Reiner Barzel issued a "No-Confidence Motion" against Brandt, in which Barzel stressed what he saw as the "social and economic failures" of the Chancellery. The vote failed, but it still had weakening effects for the Brandt Chancellery. Foreign Relations of the United States, 1969–1976, Volume XL, Germany and Berlin, 1969–1972, Documents 358-359

¹⁹⁸ The Berlin Four Power Negotiations were stalled throughout the 1970's, but in September 3, 1971 a three-point treaty was signed. A deeper analysis of these negotiations is beyond the scope of this study, but more information on the talks can be found in Petr Andreevich Abrasimov's *West Berlin: Yesterday and Today*, or *The Berlin Settlement: The Quadripartite Agreement on Berlin and the Supplementary Arrangements* by the Press and Information Office of the Federal Republic of Germany.

¹⁹⁹ Memorandum From the President's Assistant for National Security Affairs (Kissinger) to the President on Four Power Talks in Berlin; Foreign Relations of the United States, 1969-1976, Volume XL, Germany and Berlin, 1969-1972, Document 73.

from the US government.²⁰⁰ The Federal Republic's goal in these meetings was to attain the blessing of the United States in order to continue carrying out Brandt's *Ostpolitik*.

In any event, these talks were very important domestically for Brandt and Bahr, especially with the growing tension felt from the Christian Democratic Party (CDU) leader Barzel and his party, regarding Brandt's policies. Moreover, this summit with the United States would finally establish Brandt's standing as a world leader among the past Chancellors of the FRG and amongst the ranks of the British leader Wilson, and French leader, Pompidou.²⁰¹ The outcome was also important for the Federal Republic's strategic negotiating position with the Soviets. Brandt sought reassurance that the American troop presence would remain in Berlin and that the Alliance would remain strong. If the American support of the Federal Republic were to waiver, this could send the wrong signal to the Soviets and undermine the leverage behind Brandt's efforts at normalization. In essence, then, the continuation of a large US troop presence and strong united Alliance could be viewed as tacit American support of Brandt's *Ostpolitik*, facilitating legitimization of negotiations with the Russians.

In the concluding remarks at the end of the summit on the morning of 11 April 1970, with President Nixon, Chancellor Brandt and numerous other FRG and US officials present, the United States acknowledged the fact that, West Germany sought stability in the future, and the desire to "explore how to develop new paths of progress with the Soviet Union and East Germany." Thus, Nixon cautiously publicly supported Brandt's

²⁰⁰ In a telephone conversation between Kissinger and White house Chief Of Staff H.R. Haldeman, Kissinger told the Hadleman about the German request, and he responded "Good Lord". Kissinger then said: "I tell you the nerve of the Germans." Digital National Security Archive; Kissinger Telephone Conversations, 18 March 1970; <http://nsarchive.chadwyck.com/cat/displayItemImages.do?queryType=cat&&ItemID=CKA02432> (accessed 30 March 2012).

²⁰¹ Memorandum From the President's Assistant for National Security Affairs (Kissinger) to President Nixon; 9 April 1970, *Foreign Relations of the United States, 1969-1976, Volume XL, Germany and Berlin, 1969-1972, Document 78*

policy of *Ostpolitik*, even though both he and Kissinger were privately skeptical at best. It seems that President Nixon thought at this point, an American intervention or opposition to *Ostpolitik* would cause more damage than benefit for the Western alliance, so the most the United States could hope for was “damage control”. Nixon reiterated the necessity for the FRG to remain “a vital member of the Alliance” and cautioned the Chancellor “that sure and indispensable friends must not be frightened or made suspicious in the interest of new friends whose reliability is not certain.”²⁰² The ideological differences of the two leaders were plainly evident, as throughout these meetings, Nixon continuously called for the recognition of West German grounding in the Western Alliance, while Brandt spoke about the benefits of exploring Eastern bridges to détente.²⁰³ The Nixon administration had ultimately acquiesced and allowed Chancellor Brandt to continue pursuit of *Ostpolitik*, with the FRG obtaining the public blessing from the United States that it had been seeking. The West Germans had successfully secured the major objectives that they had hoped for out of the summit, even though there was persistent doubt amongst American officials behind-the-scenes.

August 1970: Brezhnev/Bahr sign Moscow Treaty

In December 1969, talks on the conclusion of a treaty between the FRG and the Soviet Union began, leading up to one of the most significant milestones in Brandt’s Eastern policy. On 12 August 1970, the Soviets and West Germans signed the Moscow Treaty.²⁰⁴ The landmark agreement centered around a FRG-USSR renunciation of force, in which the Germans were said to accept the current status of a divided Germany in

²⁰² Memorandum of conversation between Bahr, Brandt, Nixon, HAK, and many other US and FRG officials; 11 April 1970; Foreign Relations of the United States, 1969-1976, Volume XL, Germany and Berlin, 1969-1972, Document 81.

²⁰³ Hanhimaki, *The Flawed Architect: Henry Kissinger and American Foreign Policy*, 87.

²⁰⁴ Memorandum from Executive Secretary Theodore L. Eliot, Jr. to Henry Kissinger regarding US statement on Moscow Treaty; Nixon Presidential Material Project; White House Central Files, Subject Files Co (Countries) [Gen] Co 50 France 1/1/71-through [EY] CO 53 4/11/70-8/31/70, Box 29.

return for “a more benign Soviet attitude toward West Germany”.²⁰⁵ By this time, the United States government was already well aware of the growing power and influence that the West Germans wielded in the world political arena. As West German Foreign Minister Scheel said after initialing the treaty: “the big powers will, in the future, have to take into consideration the maintenance of proper relations with the FRG; this applies especially to the Western Powers.” He saw that the “FRG has a greater responsibility in worldwide politics”.²⁰⁶

The signing of this agreement was not only the first major substantive foreign policy accomplishment within Willy Brandt’s *Ostpolitik*, but it also served as a turning point in European political relationships. Prior to this milestone, diplomatic efforts had not led to any significant results that greatly affected East-West relations. Although the United States viewed these FRG approaches toward the Soviet Union as “Sisyphean efforts”, it nevertheless demonstrated that Willy Brandt was committed to executing his Eastern policies, and that he would continue to pursue what he saw as easing the hardships of a divided Germany, through concurrent unilateral overtures toward Poland and Czechoslovakia.²⁰⁷ In its press statement after the signing of the treaty, the United States chose its words carefully when it said: we hope that one of the next steps for “an

²⁰⁵The US belief was that the West Germans were not signing a quid pro quo agreement, but instead resigning themselves to any sort of agreement with the Soviets in the hope of better relations. HAK thought one of the major driving factors for the Soviets in signing this treaty was access to German technology. Memorandum From the President’s Assistant for National Security (Kissinger) to President Nixon; 1 September 1970; Foreign Relations of the United States, 1969-1976, Volume XL, Germany and Berlin, 1969-1972, Document 113.

²⁰⁶ Memorandum From the President's Assistant for National Security Affairs (Kissinger) to President Nixon; 17 August 1970, Foreign Relations of the United States, 1969-1976, Volume XL, Germany and Berlin, 1969-1972, Document 106.

²⁰⁷ In a memorandum from HAK to Nixon, HAK said that the other European nations would begin to look at West Germany with a larger sense of “self-importance and independence—and this will be disturbing”. Memorandum From the President’s Assistant for National Security (Kissinger) to President Nixon; 1 September 1970; Foreign Relations of the United States, 1969-1976, Volume XL, Germany and Berlin, 1969-1972, Document 113.

improved situation in Europe” would be “tangible evidence of Soviet cooperation toward bringing substantial practical improvements to the people of Berlin.”²⁰⁸

18 November 1970: Treaty of Warsaw Concluded

Nearly 10 months after negotiations began between the FRG and Poland in February of 1970, the two countries concluded the Treaty of Warsaw in mid November 1970. The agreement called for the normalizing of relations between the Federal Republic and Poland, and named the Oder Neisse line as the official border between Poland and West Germany, reestablishing and reinforcing the Potsdam Agreements.²⁰⁹ The West Germans were again forced to compromise, because the Poles had insisted “that the “starting point” for any normalization of relations... [was the] recognition of the Oder-Neisse border as a final boundary, and without any qualifications.”²¹⁰ This meant Germany had lost 24.3% of its pre-war area.²¹¹ Although Brandt was proceeding down the path he had envisioned for his *Ostpolitik*, the United States was less than pleased with all the concessions it seemed the Brandt government was making in order to consummate its Eastern deals. In a National Security Council meeting the same day as the treaty negotiations had concluded, Kissinger asked: “What did Germans get from the Poles?” and Martin Hillenbrand, Assistant Secretary of State for European Affairs said: “Nothing.”²¹² The US officials were privately frustrated by the concessions that the

²⁰⁸ Press Statement; attached to a memorandum from Theodore L. Eliot, Jr. Executive Secretary to Henry A. Kissinger; 11 August 1970, National Archives, Nixon Presidential Library, NSC Files,

²⁰⁹ Editorial Note, Foreign Relations of the United States, 1969-1976, Volume XXIX, Eastern Europe; Eastern Mediterranean, 1969-1972, Document 140.

²¹⁰ Memorandum From the President’s Assistant for National Security Affairs (Kissinger) to President Nixon, 10 March 1970; Foreign Relations of the United States, 1969-1976; Volume XL, Germany and Berlin, 1969-1972, Document 6.

²¹¹ Stent, *From Embargo to Ostpolitik*, 4.

²¹² Memorandum From the President’s Assistant for National Security Affairs (Kissinger) to President Nixon, 10 March 1970; Foreign Relations of the United States, 1969-1976; Volume XL, Germany and Berlin, 1969-1972, Document 63.

Federal Republic seemed to be again making in this treaty, but the US, nonetheless, made a public statement the same day claiming support and admiration for the conclusion of negotiating this deal: “The United States is confident that this development will promote improved relations between Poland and the Federal Republic of Germany and help to eliminate sources of tension in Europe.”²¹³

7 December 1970: Brandt Kneels at Warsaw Ghetto/Warsaw Treaty Signed

A major portion of the rapprochement plan that Brandt and Bahr envisioned consisted of “atoning” for the German sins of the past. On that night that Brandt found out that he had achieved the slim majority necessary to win the Chancellery, Brandt said, “Now Hitler had finally lost the war.”²¹⁴ In effect, Brandt’s policy was largely based on the desire for reconciliation and the cultivation of new ties. On 7 December 1970, in a hugely symbolic gesture of atonement, Chancellor Willy Brandt arrived at Warsaw, Poland and knelt at the memorial of the victims of the Warsaw ghetto. In 1943, the Jewish inhabitants of the ghetto rose against the Nazis occupying Poland. In the uprising, hundreds of thousands of the inhabitants were killed. That day, Brandt said, “I wanted to apologize in the name of our people for a million crimes which were committed in the misuse of the German name.”²¹⁵ Later that same day, Brandt officially signed the Warsaw Treaty.

Post 1970 Trials and Tribulations

²¹³ Documents on Germany, 1944–1985, page 1112) in Editorial Note, Foreign Relations of the United States, 1969–1976, Volume XXIX, Eastern Europe; Eastern Mediterranean, 1969–1972, Document 140.

²¹⁴ Willy Brandt, *My Life in Politics*, 171.

²¹⁵ However, 500 Germans were subsequently polled, and almost half of those polled (48%) thought that Brandt “overdid it” when he made this gesture. His original statement was made to the newsmagazine *Der Spiegel*, but reprinted in the *Los Angeles Times*; “Some think Brandt Overdid Penance Act”, *Los Angeles Times*, 15 December 1970.

Brandt resigned from office in 1974, but was largely successful in his endeavors up to that point. In 1971, Brandt was recognized for his peaceful aims and awarded the Nobel Peace Prize. Also in 1971, the Four Power Agreement was concluded, with the successful outcome of the Soviet Union recognizing that West Berlin belonged to the Federal Republic. In 1972, Brandt was further successful in completing Eastern negotiations, and in 1973, the Federal Republic of Germany and German Democratic Republic agreed on a “Basic Treaty” that they would establish “normal neighborly relations”. That same year the GDR and the FRG both became official members of the United Nations. In 1974, a spy from the German Democratic Republic in Brandt’s immediate circle was unmasked, which subsequently prompted him to resign his position as Chancellor.

Chapter 5: Conclusion, Success Despite a Lack of Strong United States Support

Despite a lack of genuine support from the United States, the Federal Republic of Germany was quite successful in developing and implementing *Ostpolitik*, or Eastern policy. The impetus for Brandt’s bold policies are evident: through his own experiences, it was his belief that the United States was not primarily concerned with advancing the foreign policy agenda for the Federal Republic of Germany, but rather was more interested in maintaining the primary position of the United States, even if this meant

acting to the detriment of the Federal Republic. Moreover, West Germany's ascendance within the Western Alliance, politically but especially economically, had enticed the Communist Bloc, especially the Soviets, to become more interested in unilateral East-West negotiations, to a large degree because of the economic benefits that might come from improved relations. Chancellor Brandt effectively leveraged his country's rising economic power as a means to extend an alternate pathway towards détente.

As a result of Brandt's independent unilateral new approach, the United States was put into an unfamiliar position in which they were now in the secondary role vis-à-vis the Federal Republic in determining Western foreign policy initiatives in the Eastern European political theater. The dynamics changed completely, with the US reacting to the lead of Brandt, and having to continuously publicly support his initiatives for the good of Western Alliance unity, even when his diplomatic aims diverged dramatically from those of the US administration.

Economic standing and Use of Positive Linkage

The economic progress that the Federal Republic was able to achieve before Brandt came to office, together with a struggling Russian economy, helped lay the groundwork enabling *Osthandel* and the Soviet's interest in normalization talks. In a report in February 1970, Kissinger wrote that the Soviet Union's economic growth had been declining for "several years", most notably industrial growth, which was believed to have reached its lowest point since 1946. In 1970, economic growth was projected to be 2.5%, the lowest level since 1963.²¹⁶ This may have been partially due to the "technological gap" that had developed between the Communist Bloc and their Western

²¹⁶ Memorandum From Henry Kissinger to President Nixon on the economic position of the Soviet Union, "Soviet Internal Troubles"; 2 February 1970, Foreign Relations of the United States, 1969-1976, Volume XII, Soviet Union, January 1969- October 1970, Document 124.

counterparts, which further intensified Soviet interest in West German negotiations. What President Nixon saw as the “critical point”, was that Soviet leaders could not find a way to increase economic growth by retaining such a strong handle on central political control.²¹⁷

Even though the United States had not genuinely supported the FRG in its *Ostpolitik* in any substantive capacity, aside from verbal comments made publicly, Willy Brandt was largely successful in his attempts to improve common ties with the Eastern Bloc. This was primarily because West Germany used economic means in hopes of incentivizing political concessions from the Soviets.²¹⁸ Brandt was able to leverage West Germany's newfound economic power in order to both encourage the Soviets to the bargaining table and simultaneously fundamentally reverse leadership roles with the United States vis-à-vis Eastern Bloc foreign policy. As discussed in Chapter 3, in economic terms, linkage is the means by which two countries are related together economically, also influencing political relations between the two countries. Willy Brandt was able to utilize “export guarantees and other forms of state support to actively promote trade with the East Bloc.” He was successful in using *positive linkage* to envelop the USSR in a “soft net of economic ties.”²¹⁹ The Chancellery did not want to publicly advertise these tactics, but they allowed execution of Brandt's strategy, which further enabled him to pursue his goals of reducing East-West tension, while appeasing the economically needy Soviet Union. If the Federal Republic of Germany had not been able

²¹⁷ Within the memorandum, Nixon highlighted this “Soviet Dilemma” as the critical point.

²¹⁸ The “political concessions” that Brandt was attempting to incentivize were simply friendly relations between West Germany and the Soviet Bloc countries.

²¹⁹ Newnham, “More Flies with Honey: Positive Economic Linkage in German *Ostpolitik* from Bismarck to Kohl”, 82.

to rebuild its postwar economy, especially in the industrial sector, none of this linkage would have been possible.

FRG Takes Primary Role, US Takes Secondary Role

Evidently, the United States' persistent fear of losing the ongoing peace in Europe drove it into a diplomatic position where it had little room to maneuver. US officials believed that if the American leadership showed too strong a leaning in either direction, for or against Brandt's policies, then this might cause repercussions in the Western Alliance, and furthermore throughout all of Europe. The relationship between the Federal Republic of Germany and the United States changed measurably when Willy Brandt became Chancellor. Despite long-standing roles since the end of World War II, *Ostpolitik* changed these dynamics. The United States was no longer the primary actor within the relationship, but the Federal Republic became the primary actor, with Chancellor Brandt setting the direction of the policy initiatives of East-West relations. In essence, the United States was put into an unfamiliar position where it had to somewhat unwillingly forgo its leadership role in order to ensure that it could keep the Federal Republic grounded in the Western Alliance. In a letter from February 7, 1970, Assistant Secretary of State for European Affairs Martin Hillenbrand named the "first principle" as keeping the Federal Republic in "the Western camp".²²⁰ The fact that this even became a question for discussion was a significant change diplomatically. As Hillenbrand made clear in internal communications, there was the essential fear from the US perspective that if it were to react negatively to the West German *Ostpolitik*, then the West Germans might perceive inadequacies with the Western Alliance led by the United States, and

²²⁰ Letter From the Assistant Secretary of State for European Affairs (Hillenbrand) to the Deputy Chief of Mission in Germany (Fessenden), 7 February 1970; Foreign Relations of the United States, 1969-1976, Volume XL, Germany and Berlin, 1969-1972, Document 53.

explore a new home in the Eastern Bloc. Thus, the United States ultimately realized there was no real choice; that it was in their “interest to avoid the impression that Western interests and specifically American interests prevent the Federal Republic from exploring possibilities of understanding with the East.”²²¹

The United States was unwillingly put into a diplomatic corner that it had rarely experienced before with the West Germans since the end of World War II. The US was forced to respond to and follow the independent actions of the FRG, because the Federal Republic had now for the first time taken the central foreign policy role in the partnership. Essentially, the United States had no room to maneuver, to lead on its own, but was forced to react and follow. In a National Security Council Meeting on 14 October 1970, President Nixon and the National Security Council (NSC) members contemplated the possible paths that the United States could take. They concluded that opposing the policy outright and bringing “Brandt down” or embracing the policy more enthusiastically were both poor options, so instead the NSC decided that the United States should “avoid either of the above alternatives”, because they couldn't “afford to oppose Brandt” but they couldn't “support his policy too strongly either”.²²² Therefore, the United States was left to promote a watered down middle ground position, where it was careful not to offend any of the primary participants.

Essentially, by the end of 1970, the United States believed that the Federal Republic had come to accept the status quo in Central Europe by recognizing the “existence of the GDR”, “the border adjustments (particularly the Oder Neisse Line)

²²¹ Letter From the Assistant Secretary of State for European Affairs (Hillenbrand) to the Deputy Chief of Mission in Germany (Fessenden), 7 February 1970; Foreign Relations of the United States, 1969-1976, Volume XL, Germany and Berlin, 1969-1972, Document 53.

²²² Memorandum of Conversation of the Meeting of the National Security Council: Berlin and Germany, 14 October 1970; Foreign Relations of the United States, 1969-1976, Volume XL, Germany and Berlin, 1969-1972, Document 126.

resulting from World War II”, and most unfortunately, the “Soviet hegemony in Eastern Europe.” The United States postulated that there were two significant implications of this outcome. The first was that in the West German's acceptance of the Soviet Union as the hegemony in Eastern Europe, many would then believe that the FRG was representing the beliefs of the entire Western Alliance. This again illustrates the major role that the Federal Republic played in the Alliance at the time. Secondly, the United States feared that other Western Governments would become more anxious to make similar unilateral overtures towards the Eastern bloc as had the Federal Republic, which could be disastrous for the unity and strength of the Western Alliance.²²³ In spite of these fears about the fundamental changes that the West German policy moves could have on the Western Alliance, and European relations, the United States had a greater concern that any different strategic direction that it advocated could lead to far worse repercussions for the maintenance of the Western Alliance, and thus chose to virtually sit on the sideline while Brandt pursued his agenda.

What was all the more chilling for the United States and the Nixon administration was that Brandt's *Ostpolitik* had no specific, definable foreign policy objectives, no timeline, nor any benchmarks as to when the Federal Republic would have achieved its goals, making it much more “dangerous” in the eyes of the United States.²²⁴ With no other viable diplomatic options, it became more and more clear that the US might have to

²²³ The US feared that through the signing of the Soviet-FRG Treaty, the FRG was essentially accepting the USSR as a “participant in an era of continent-wide cooperation”, thus accepting the right of the Soviet Union to participate in European affairs on a basis that the United States would not be able to equally claim at this time. Ellsworth saw this as unfair, because he believed that the US was far more a European power (culturally and economically) than the USSR.” Memorandum From the Permanent Representative to the North Atlantic Treaty Organization (Ellsworth) to the President's Assistant for National Security Affairs (Kissinger), undated; Foreign Relations of the United States, 1969-1976, Volume XL, Germany and Berlin, 1969-1972, Document 97.

²²⁴ Memorandum from the Permanent Representative of the North Atlantic Treaty Organization (Ellsworth) to the President's Assistant for National Security Affairs (Kissinger); Foreign Relations of the United States, 1969-1976, Volume XL, Germany and Berlin, 1969-1972, Document 97.

continue in the unfamiliar secondary role of following the lead of the FRG for years into the future. The United States believed that the Federal of Republic was showing continued excessive generosity toward the Communist Bloc, but there was no clear answer as to how “means relate to ends” and how their concessions in the present would, in the future, lead to Eastern generosity. Admittedly, then, this was a period of “diminishing US influence...increasing FRG-Soviet ties, and increasing FRG responsibility.”²²⁵

²²⁵ Henry A. Kissinger made this statement in a National Security Council meeting on 31 August 1970; Minutes of the senior Review Group Meeting; Foreign Relations of the United States, 1969-1976, Volume XL, Germany and Berlin, 1969-1972, Document 111.

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