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THE SECRETARY OF DEFENSE

WASHINGTON, D.C. 20301

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Authority: EO 13526  
Chief, Records & Declass Div, WNS  
Date: SEP 14 2010

4 JAN 1982

(#36)

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Visit of Chancellor Schmidt (U)

(b) Our problems with the Federal Republic have been gathering momentum in recent months, threatening the cohesion and effectiveness of the alliance. Our efforts to reconcile differing US and German perspectives on major international issues have not been notably successful.

(b) The alliance as a whole is very much aware of the differences between American and German thinking on a variety of issues: the value of detente between East and West, the need for sustained real growth in defense budgets, the dangers inherent in East-West trade, especially in high technology and energy, the need to augment funding for infrastructure and the need for the alliance to recognize the out-of-area threat to alliance security. We cannot lead the alliance effectively if alliance policies are seen to be driven by German perspectives and requirements.

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(b) The difficulty we have seen at NATO Ministerial meetings in our dealings with the Germans are present daily in Brussels. The Germans are our most reluctant partners on virtually everything. When they are unable to stop our initiatives (as was the case with respect to a US proposed NATO study of technology transfer to the East or a study we fostered of ambiguous warning) they seek to slow them or limit their scope. When we succeed in moving the alliance as a whole, as on NATO infrastructure or strengthened language on the necessity of dealing with out-of-area threats, the Germans invariably emerge to rob the alliance of the consensus needed for action.

(b) Worse than that was the Chancellor's description of both your November 18 proposal on zero options, and the Soviet response as "propagandistic." All of this is designed to place Germany at the "bridge," as the "impartial peacemaker," calling down a "plague on both your houses." Our ally is fast becoming a self-appointed referee or umpire.

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~~Review on: 7 JAN 1982~~

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(U) In the largest sense, the tendency in German policy that ought to disturb us most is not the rising pacifist and neutralist sentiment one finds there, but the German effort to position Germany as a bridge between East and West. As a source of German policy, this desire to mediate between the US and its principal adversary will suffuse the whole of the relationship in a widening arc of debilitating differences. Chancellor Schmidt should understand that we cannot accept the continued pursuit by the Federal Republic of this dangerously self-serving role.

(U) It would be most desirable if, out of your talks with Schmidt, something like the following could emerge:

(1) (U) We must work together in implementing some serious sanctions on the Polish issue. The hand of the Soviets is manifest in what is now going on in Poland. Our response has been measured and restrained. If the alliance cannot act in concert we will have no practicable alternative to declaring the Polish debt to the US in default--an action that would sharply curtail East-West trade and achieve a punitive effect far greater than the measured sanctions we have already put in place. Moreover, if the situation in Poland does not improve we shall have to consider additional sanctions.

(2) (U) We remain seriously concerned at the effect of the West Siberian pipeline on energy security in Europe and are particularly alarmed at the probable impact of the substantial hard currency earnings the pipeline will make available for the Soviet purchase of high technology. The resources generated by the pipeline will significantly improve the Soviet's military capability. We will not cooperate in the construction of the pipeline. We will embargo American technology in connection with it.

(3) (U) NATO infrastructure funding is not adequate to permit the United States to carry out its planned reinforcement program for the augmentation of NATO forces in the event of war. If Germany persists in blocking the additional funds needed to make it practicable to send additional forces to Europe we will have no choice but to alter our reinforcement plans. This will seriously diminish the strength of the alliance and reduce our capacity to mount a conventional defense of Europe.

(4) (U) We must receive more support than has been forthcoming thus far in recognizing that there is a threat to NATO created by the military vacuum that now exists in Southwest Asia. In the absence of a clear recognition of this fact within NATO, and an expressed willingness on the

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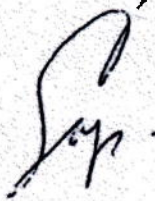


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part of the alliance to facilitate the projection of US forces into the area, we will have no alternative to dedicating additional defense resources to Southwest Asia and away from Europe. We would prefer to continue to allocate the bulk of our forces to Europe but to do so we must be confident that we will have European assistance in enabling us to bring those forces to bear in Southwest Asia in a crisis situation.

(5) ~~GER~~ German actions recently will undoubtedly provoke a strong reaction in Congress which is already becoming increasingly unhappy with the lack of strong allied support for our moves and proposals. We do not want Congress, or the US public, again to become suffused with isolationist sentiment.



cc: Bill Clark  
Al Haig  
Ed Meese  
Bud Nance

Office of the Secretary of Defense  
Chief, RDD, ESD, WHS

Date: 14 SEP 2013 Authority: EO 13526 + 5 U.S.C. § 552

Declassify: X Deny in Full: \_\_\_\_\_

Declassify in Part: \_\_\_\_\_

Reason: \_\_\_\_\_

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