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360 million.) East German IZT Negotiators cautioned about leaving a margin and replied they aware of need to do this. (Shipment of goods under consignment of course stretches swing in a sense, as there is no accounting until items actually sold.)

3. Source noted that West German proposal expand activities of GDR's GENEX and Intershop found no echo. GENEX enables West Germans (and others with hard currency) order items made in GDR for delivery to friends and relatives residing in GDR. By placing orders through GENEX offices in Denmark and Switzerland, West Germans can have, for example, an East German "Trabant" car delivered to East German address in six weeks, as against normal three-year waiting period. Offer to open GENEX offices in FRG turned down. Intershop enables visitors to GDR to purchase duty-free gifts of Western origin in hard currency, which may be presented to GDR friends and relatives. Offer to set up Intershop offices in FRG to allow for purchase and delivery such items without visiting GDR also turned down. Source attributes this attitude (a) to shortage of certain items made in GDR (in case of GENEX), (b) to GDR fear of creating too much envy on part of

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~~of~~ those not having Western friends and relatives, and (c) to lack of business initiative.

4. Stiff East German attitude, in source's view, seems to be order of day, reflecting itself in petty and sometimes ridiculous ways. Interference with shipments some periodicals continues.

Prohibitive requirements on shipment sporting weapons still not (Berlin 908).

lifted/ Request made six weeks ago to inspect short strip of

an FRG water pipeline just inside GDR still not answered. Finally (to document the ridiculous)

GDR has declared it will no longer allow transit of homing pigeons~~x~~

thus depriving ^{West Berlin} ~~homeing~~ Pigeon Association from participating in

annual homing pigeon contest taking place in FRG. Admittedly,

West Berlin pigeons in ~~the~~ returning home transit sovereign air

space of GDR (unless they use corridors) and are armed neither

with visa nor Warenbegleitschein. It is perhaps for this reason

therefore that an East German authority, when approached on this


matter, replied he was prepared under certain circumstances to

allow transit of almost anything, including tanks (sic), but

homing pigeons -- never!

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MORRIS
Approving Officer:

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