

SECRET

CN 562

COMMENT: Rau's statements on substance issues involved in suspension IZT is largely reformulation earlier comments by him and other East German sources. Press conference, however, gave him opportunity to address large number journalists from underdeveloped countries (principally Latin American and African) and to propagandize thesis that tension between Federal Republic and Soviet Zone is largely result "unreasonable" non-recognition policy of West. In this connection, remarks of Ulbricht as Chairman of State Council in October 4 "programmatic" speech to Volkskammer regarding "unreasonable" respect of "neutral" states for Hallstein Doctrine is pertinent (see Berlin tel 246 to Dept, 229 to Bonn).

Rau's description effect interzonal trade interruption on GDR economy probably "whistling in the dark". CAS reports suggest that GDR economic planners fear substantial reprogramming priorities in economy will have to be made should IZT break down and we understand East German delegation headed by State Planning Commissioner Leuschner now in Moscow intends to present to USSR authorities consequence of effects such eventuality not only on East German domestic economy but also on Soviet and CEMA plans.

ENL
LIGHTNER *11/10/73*

SAKoczak
AUTH: SAKoczak, Acting Chief, E6.

EAS:MEHokman/SAKoczak:am
Oct. 28

CN 562

SECRET