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Billion Mark Loans and Humanitarian Concessions (July 25, 1984)

Over the course of one year, the federal government granted the East German government two loans of over a billion marks each. Minister of State Phillip Jenninger views them as part of a “revitalization” policy towards East Germany and lists the concessions that the East German government made in return, primarily in the area of travel.

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### **Declaration on the Development of Intra-German Relations by Minister of State Philipp Jenninger**

From the outset, the present federal government under the leadership of Chancellor Helmut Kohl has attached special importance to its *Deutschlandpolitik*. The sustaining principles of these policies were laid down in the policy statements of October 1982 and May 1983. From the very beginning, we have maintained that there are fundamental differences between the Federal Republic of Germany and the GDR that should not be blurred. But we also said that we wish to combine steadfastness and loyalty to our basic principles and legal positions with flexibility and new ideas, especially where it concerns practical advances that benefit the people in divided Germany.

We agree with General Secretary [Erich] Honecker that it is important to do what we can. It is precisely because there is basic dissent as regards the German Question that a stable and predictable relationship between the two states in Germany is important. Both can make a contribution to stability in Europe. I would like to emphasize that our policies with respect to the GDR are part of comprehensive overall policies that include the Soviet Union and the other states of the Warsaw Pact. There is no German “special path” [*Sonderweg*] – either for us or the GDR. Both countries are and will remain reliable members of their respective alliances. An improvement in relations between the two states at the heart of Europe and on the dividing line between East and West is also in keeping with the interests of all European peoples.

The position of the federal government is very clear: peace policies require friendship with the West and communication with the East. We are banking on dialogue and cooperation. We are serious when we speak of a “community of responsibility” and a “coalition of reason” – whereby these phrases of course cannot be limited to questions pertaining to the arms race, but must also and especially include further improvements for the people. Because that is and will remain our mission: It is crucial to ease the burden of division for the people in Germany.

Up to now, the balance sheet of this federal government as regards *Deutschlandpolitik* indicates a whole series of improvements. Intra-German relations have developed in a positive manner since the change of government in 1982.

Last summer, when the banks loaned billions to the GDR and the federal government guaranteed the loan package, we spoke with good reason of “trust in return for trust.” From the outset, we said that this was not a “business transaction” in the usual sense. The “philosophy” of the loan was something different. It was an incentive to bring movement into intra-German relations on a broad basis and to initiate a process that I would like to refer to as a revitalization of our relations with the GDR. In this sense, the signal we gave through the loan has been answered with a number of positive countersignals.

The GDR let us know that it wants to continue advancing measures in the future that will allow for family reunions [between relatives in the GDR and the FRG]. The federal government can assume that several thousand Germans from the GDR will be able to relocate to the Federal Republic in the course of this year. This, too, is a sign of constructive cooperation.

I can tell you that through its subsidiary in Luxembourg, the Deutsche Bank has made a Eurocredit of 950 million DM (term: 5 years) available to the Deutsche Außenhandelsbank AG in East Berlin at the usual market conditions. The Deutsche Bank will invite other German credit institutions to participate in this loan through their subsidiaries active on the Euromarket. The federal government approved the contract between the Deutsche Bank and the Deutsche Außenhandelsbank and assumed a guaranty for the loan. No costs will result for the federal budget or the taxpayers. The case of a guaranty claim will not come to pass; the GDR has assured the corresponding safeguards.

The federal government views its decision of today as an important contribution to deepening and stabilizing dialogue and cooperation and to improving relations with the GDR. And I would like to add: this decision has the complete support of both party caucuses in the coalition. The GDR [leadership] let us know that it passed and will implement a number of measures. These measures were decided upon by the GDR as a sovereign authority:

[A list of the measures follows.]

[ . . . ]

The federal government assesses these measures by the GDR very positively. They prove that the mutual efforts to improve relations are continuing to develop and that these efforts yield results that benefit people in both states. The measures presently resolved by the GDR serve to improve and facilitate travel in both directions, including border-area traffic and that of travelers and visitors to Berlin. The federal government especially welcomes the fact that the GDR has reduced the minimum currency-exchange requirement for pensioners to DM 15.00. It has thereby responded to our concern to reduce the minimum exchange at least for the socially weaker members of society. With an eye to the age structure, this is particularly significant for West Berlin. I would like to emphasize the extension of the maximum length of stay for entry into GDR counties near the border to two days, that is, until midnight on the day after entry. In combination with the expansion of entry authorization to more than three counties in the GDR for border-area travel, this has resulted in many more options for people to make and maintain human contact across the border.

Reduction of the minimum exchange requirement for all travelers remains a central concern of the federal government. A number of wishes have yet to be satisfied, also as regards border-area traffic, travel into the GDR in general, Berlin's tourist and visitor traffic, and with respect to travel options and greater freedom of movement for GDR residents, especially those of working age.

The federal government will also continue to advocate perseveringly for improvements and easements in tourist traffic, especially since we are convinced that, in the end, greater freedom of movement in tourist traffic lies in the GDR's own well-understood self-interest, since many people in the other part of Germany do not necessarily want to leave the country but very much want to travel.

The federal government will continue its present course, that is, dialogue with the GDR on all questions of bilateral relations, but also on current international issues, especially on multilateral east-west policies involving both parts of Germany. We stand by our assertion that our *Deutschlandpolitik* is at the same time a policy for European peace.

In the Basic Treaty, the goal of "good neighborly relations" between the two German states was formulated. We take this demand very seriously and will continue to work with all our strength towards its attainment. The last 1¾ years have brought us much farther down this road. Whoever supports the unity of the nation and takes this historical mandate seriously must do all that is humanly possible so that the people in Germany can come together. We are doing just that.

Source: Erklärung zur Entwicklung der innerdeutschen Beziehungen von Staatsminister Dr. Philipp Jenninger [Declaration on the Development of Intra-German Relations by Minister of State Philipp Jenninger], Press Release [the Federal Press and Information Office], Bonn, July 25, 1984.

Translation: Allison Brown