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11 December 1952

MEMORANDUM FOR THE RECORD.

SUBJECT: Our Policy in Germany

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCE METHOD EXEMPTION 3B2B
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2007

1. For at least two years, we have been working in Germany towards integrating Germany (that is, the Federal Republic of Western Germany) into the defense of the West against Soviet aggression - which we assumed to be likely to occur some time between 1952 and 1954, that is in the very near future. This emphasis on the early establishment of a German military force, to fight on our side in World War III (thereby saving American lives) dominated not only the official policy of the State Department and other overt government agencies, but determined the policy of CIA operations in Germany as well. With this aim in mind, we were for instance prepared to terminate many of our operations in Western Germany, to turn over others to the German government (or at least to keep the German government informed about them) and we were willing to let our largest project in the positive intelligence field, ZIPPER, become the official intelligence agency of a sovereign Germany.

2. Now, however, it appears as if the above defined basis of our policy in Germany can no longer be considered entirely valid. On the one hand, responsible strategic planning has shifted to assume a considerably later date for the likely outbreak of World War III, thereby reducing the importance of obtaining German military help at any cost. On the other hand, it has become very doubtful whether the German military contribution will ever materialize. Legally, such contribution hinges on the ratification of the Contractual Agreements and of the European Defense Treaty. These treaties, ratified by the U.S. Senate approximately 6 months ago, have still not been ratified by the Bonn Bundestag (lower house of the West German parliament). If it passes the Lower House, it may be held up again in the Upper House (Bundesrat, representing the several States of Germany, where Adenauer's majority is very doubtful). Even after having passed both houses of parliament, it faces a test of constitutionality before the German Supreme Court (and according to inside information received a few weeks ago, chances that the Supreme Court will uphold this constitutionality are rather slim). And, if this should lead to valid ratification after all, it still remains to be seen whether the treaties will be ratified by France where opposition against them has been growing constantly.

3. I therefore submit that, while it may yet be too early to abandon all hope ever to obtain a German defense contribution, we should at least temporarily stop considering Western Germany as an ally - and consequently stop making further major concessions to the German government or to the Germans in general - until we are much more certain that Germany shall actually deliver what Chancellor Adenauer (unquestionably in good faith)

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promised when he initialed the treaties last May. In terms of CIA operations, this would mean - at least for the time being - primarily:

- a. To insist on our rights derived from the Occupation Statute (e.g. arresting and trying in NICOG courts Germans damaging our operations, including dis-affected agents)
- b. To discontinue disclosing our operations either to the German government or to any German political party, organization or agency
- c. To prepare for the possibility that Germany may not be our ally, but a passive neutral in World War III (for instance, by establishing bases outside Germany from where to conduct operations either in Western Germany or in the Soviet Zone).

4. At the same time, we ought to revise our attitude concerning the S.P.D. (Social Democratic Party of Germany). The SPD is undoubtedly of value to our cold war effort insofar as it stands against Communism and Nazism. On the other hand, its stiff opposition against the European Defense Treaty (and against other projects of West European integration, e.g. the Schuman Plan) has been the largest single obstacle in the way of US policy objectives in Germany; moreover, this opposition has brought the SPD in dangerous proximity to Communist-sponsored neutralist and pacifist propaganda (especially the SPD youth organization, "The Falcons" is affected by this propaganda, if not outright penetrated by the Communists). It seems questionable whether an SPD-controlled government in Western Germany - assuming the SPD wins in the 1953 general elections, which is not too likely at this moment, but not impossible - would effectively carry out the European Defense Treaty, even if that treaty were ratified prior to the elections. I am convinced that a government in which the SPD has a decisive voice would not accept ZIPPER as its chosen intelligence instrument. Moreover, the spiteful hostility which the SPD (by no means only Herr Zinn) has shown during the last several months in connection with the exposure of the LEPROWL APPARAT and of various other activities rightly or wrongly attributed to US sponsorship and the services which it has thereby rendered to the Soviet-Communist anti-American campaign, have given us a foretaste of what we may expect (despite the unquestioned basically pro-Western character of the party), unless we - that is, both CIA and the State Department - take effective steps to make the SPD change their attitude in these matters.

5. In dealing with the SPD and with other German government agencies, parties and individuals, we have often disregarded the basic psychological attitude prevalent among Germans: owing to their experiences under the Kaiser, under Hitler and under Allied occupation, they have become one of the most "power-conscious" nations on earth. They believe in stern authority and they are likely to consider a conciliatory attitude as a sign

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of weakness. Therefore, the efforts of our German Mission to settle the APPARAT affair by adopting a conciliatory attitude and making concessions to men who have grievously and quite unnecessarily injured our interests, have apparently only succeeded in making the SPD (and a sizable part of general German opinion as well) believe that they can attack Americans with complete impunity. I feel safe to predict that we shall soon find it impossible to conduct any operations in Germany, whether on the OPC or on the OSO side (because every policeman, every politician, every newspaper editor will feel free to attack us, every agent will feel free to betray us, if the prestige of US intelligence is allowed to sink further as it has sunk during the last two months) - unless we revise our policies and our tactics correspondingly.

6. I do not recommend a policy of hostility against the SPD, but a policy of firmness and self-respect on our part. This is the only realistic foundation on which limited cooperation with the SPD can be continued in good faith. Specifically, I recommend:

- a. Projects in which the SPD is interested - especially DTCLIMAX and TPOASIS - should be included in the overall reduction of OPC operations in Germany; if they are to be continued at all, they ought to be far smaller in size and effectiveness than our support for the government parties who endorse the main objectives of US policy (e.g. projects JBTHROWG and EMALDANE).
- b. Regardless of the above, no support of the SPD, directly or indirectly, should continue unless the open hostility of the party against us ceases.
- c. The SPD leaders ought to be given a stern (but confidential) warning on the highest possible level, telling them that we want to cooperate with them, but can under no circumstances tolerate their interference with our operations and that if they should persist in injuring our interests, we have ample possibilities to do them grave damage in retaliation. If we, for instance, would ever allow the fact that SPD chairman Erich Ollenhauer was during the war on the OSS payroll (as were quite a few other SPD leaders) to leak, it would end not only his political career, but hurt the party's chances in next year's general elections very seriously. Similarly, the disclosure that the SPD, while screaming in public about American support of the BDJ, continued to accept American money for its own propaganda, would be very harmful for the party, especially if well timed in the election campaign. Action in HICOG court could also be threatened against the SPD-controlled Hesse police for their violations of the Occupation Statute in the course of the APPARAT affair. (I do not want any of these measures to be actually taken, but I feel that the

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SPD must be convinced at any cost that the US Government cannot be treated in this contemptuous manner - which was exactly what they have been doing during the last two months, without encountering any serious countermeasures from our side).

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