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Bonn's Policies Under the Kiesinger Government

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BONN'S POLICIES UNDER THE KIESINGER GOVERNMENT

THE PROBLEM

To assess the cohesiveness of the grand coalition government in West Germany and to estimate the development of West German foreign policy over the next two or three years.

CONCLUSIONS

A. The coalition headed by Chancellor Kiesinger has gained broad public support in West Germany and will probably remain united at least until the federal election of September 1969 draws near.

B. The extreme rightist National Democratic Party (NPD) is likely to make further gains in the next year, but we believe that it will remain a fairly small minority of the German electorate during the period of this estimate.

C. While maintaining its defense ties with the US and NATO, the Kiesinger government will be more assertive of national interests than previous governments in Bonn. Recently emerging political differences have led to a gradual increase in German criticism of various US policies and the present dispute over the proposed non-proliferation treaty will intensify this development. Nevertheless, we believe that if the principal other nonnuclear nations sign, the Kiesinger government will feel compelled to go along.

D. Kiesinger will continue his efforts to improve Franco-German relations, but the practical results will probably be limited, and the West German Government is not likely to accept French hegemony in Western Europe.

E. Bonn's present emphasis on improving relations with Eastern Europe, already successful in Rumania, will probably have some

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success in Hungary, Bulgaria, and—somewhat later—in Czechoslovakia. We think it unlikely that the West German initiatives will bring about any major change in Soviet policy toward Germany.

F. Bonn will seek to expand contacts with East Germany, even high-level contacts which might eventually approximate de facto recognition, but will almost certainly not grant de jure recognition to the Pankow regime.

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DISCUSSION

I. THE NEW COALITION

1. Chancellor Kiesinger's "grand coalition" of Christian Democrats (CDU/CSU) and Socialists (SPD) came to power at a time of growing political ferment in West Germany. Former Chancellor Erhard was forced out, a little over a year after his election victory in 1965, by general dissatisfaction with his leadership, mounting domestic economic difficulties, and rising criticism of Bonn's foreign policies. Kiesinger appears capable of more effective leadership than Erhard, and the new government can take new initiatives in both foreign and domestic affairs with more assurance because it enjoys the broad parliamentary backing of the two major parties.

2. The new coalition contains a number of powerful and articulate political rivals, but we believe that it will probably hold together at least until the federal elections of September 1969 draw near. Kiesinger has demonstrated considerable leadership in handling the most immediate domestic problem facing his government—a fairly severe economic slump. His government has introduced various measures to stimulate growth, and diverse elements of the Cabinet such as CSU Finance Minister Strauss and SPD Economics Minister Schiller have cooperated closely in carrying them out. The coalition has given the appearance of both determination and cohesion and has gained broad public support. Partly in response to the government's measures, an economic upturn will probably become evident toward the end of 1967. In that event, prospects would be good that Bonn will achieve its goal of a four percent annual economic growth rate by 1969. Success in the economic area would enhance Kiesinger's ability to hold the grand coalition together.

3. There are several domestic issues which could disrupt the coalition. One is the longstanding problem of "emergency legislation," i.e., laws defining the authoritarian powers to be given the government in time of war or national emergency.¹ Although many elements of the SPD—trade unionists in particular—are critical of emergency legislation, its supporters have long believed that the best chance of passage would come when, as now, Bonn had a grand coalition government with a majority large enough to make constitutional changes. Though the Kiesinger government has initiated action on this subject, it is unlikely to force the issue to the point of risking a split in the coalition.

4. The broad majority enjoyed by the grand coalition has given rise to new interest in modifying federal election laws so as to encourage change to a two-

¹ Bonn's postwar constitution, or Basic Law, does not give the federal government emergency powers which almost all other sovereign nations have. In addition, certain emergency powers (e.g., mail and telephone surveillance) are still reserved to the Allies—a vestige of occupation times which most Germans would like to see eliminated. An "emergency law" changing this would have to be a constitutional amendment, and would require a two-thirds vote of the Bundestag.

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party system. Essentially the proposals would make it more difficult for small parties to obtain representation in the Bundestag. This is a potentially more divisive issue than emergency legislation; election reforms are opposed not only by the small parties themselves but by important forces within the coalition. The Kiesinger government probably will not abandon the proportional representation system before the 1969 federal elections. But it might, if the neo-Nazi National Democratic Party (NPD) has further successes in state elections, seek to amend the present electoral laws so as to minimize the NPD's chances of winning seats in the Bundestag.

5. *The NPD.* The growing strength of the NPD will be a preoccupation of the coalition parties in the next year or two. The NPD attracts former Nazis, but in seeking to gain acceptance has so far avoided the more extreme aspects of Nazi ideology. It nevertheless features chauvinistic appeals and antiforeign slogans. Basically a rally of the discontented, the NPD, by gaining representation in the state legislatures in Hesse and Bavaria, has demonstrated some appeal among conservative youth and the middle class. The NPD will probably win seats in two or three more state legislatures during the next few months, thereby intensifying concern both within Germany and abroad about this challenge from the right. Foreign criticism will tend to stimulate responsible German politicians to consider measures to combat this extremism while, at the same time, provoking a nationalistic defensive reaction on the part of others. If the major parties, the CDU/CSU in particular, are faced with growing NPD strength, they may be constrained to adopt a more national attitude on a variety of issues.

6. The NPD obtained 7 to 8 percent of the votes in recent state elections and could probably do about as well on a national basis. The growth potential of the party above this level appears to be limited, however, at least for the near term. Discord among the leaders of the NPD may also sap its strength. On the whole, we think that the party will remain fairly small, barring a severe economic downturn or some other political development which discredited the present government leadership in a major way. Nevertheless, unless the election law is changed, there is a good chance that the NPD will elect a small delegation to the Bundestag in the 1969 election.

II. MAIN FOREIGN POLICY TRENDS

7. The grand coalition will be more assertive of German national interests in its conduct of foreign affairs. There is mounting sentiment within Germany that the Federal Republic must act more effectively in its own behalf if it is to advance the cause of national reunification or exert an influence in world affairs commensurate with its size and power. One of the reasons for the downfall of former Chancellor Erhard was a fairly widespread belief that his government was not effective in its dealings with other nations, particularly the US. We believe that the present German leaders will pursue policies of moderate rather than extreme nationalism, but their new approaches to relations both with their Western Allies and with Eastern Europe and the USSR may be only the beginning

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of a period of uncertainty and change in German foreign policy going well beyond the period of this estimate.

A. Relations with the US and NATO

8. Under Erhard, West Germany was willing to follow US leadership in European affairs and to endorse US policies throughout the world. The Kiesinger government recognizes that the FRG's ultimate security rests on the US. But as fear of Soviet aggression in Europe has receded, West Germans of all political leanings have increasingly questioned the need for so dependent a relationship to the US as Bonn has had in the past. Political differences have emerged which were played down when the Soviet threat seemed more imminent, and there has been a gradual increase in German criticism of various US policies. Previously, most of this criticism came from the press and from political leaders outside the government. To an increasing degree, such attitudes are now reflected in government policy.

9. *NATO and Defense Questions.* The Kiesinger government will nonetheless seek to maintain close defense ties with the US. For at least the next two or three years, it will continue generally to support the present integrated military command structure in NATO. It will, however, be somewhat more sympathetic to de Gaulle's views about NATO than was the Erhard administration, and it will be less cooperative with the US and other members on many of the details of reorganizing NATO without France. Over the longer run, the Federal Republic probably intends to review its whole role in the alliance, with a view toward loosening defense ties with the US and tightening its links with other continental countries. But we believe that movement in this direction will be slow.

10. The German Government probably will become increasingly willing to accept limited reductions of conventional US (and British) forces in West Germany. One reason for this is that Bonn probably considers that it has won a major concession from the US on the offset question. But more basically, the new government simply gives lower priority than have previous ones to maintaining the US physical presence in Germany at present levels. The government would defend agreements reached on this issue, but would probably be unable to forestall broad criticism of any sizable drawdown from politicians and elements of the German press who wish to diminish public confidence in the US. But even if there were no troop cuts, these critics would find other issues to promote anti-US views.

11. *The Nuclear Problem.* The question of German access to nuclear weapons and influence on Western nuclear policies has bedeviled Bonn's relations with the US for years past and will continue to do so. The latest chapter has been the intense public discussion in the Federal Republic of the proposed non-proliferation treaty. Arguments advanced by West Germans against the treaty have dwelt on the charge that it would impede the development of peaceful atomic energy programs. But the basic German opposition has stemmed from a feeling that the treaty would sentence the Federal Republic to permanent

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inferiority, and that the US, in arranging the treaty with the USSR, is neglecting German interests. In addition, many Germans are upset because the treaty appears to them to foreclose not merely their independent acquisition of nuclear weapons but even the possibility of an eventual European nuclear force in which Germany could participate.

12. Bonn hopes for and has even encouraged other potential nuclear powers to seek modifications of certain features in the present draft which it regards as discriminatory. If this proves impossible and it becomes clear that the US, the USSR, and practically all the nonnuclear powers will support the treaty, the Kiesinger government would probably also feel compelled to sign. Whatever happens, the existing resentment against the US will have been increased in the process. Even if there is no agreement on a nonproliferation treaty, we believe that West Germany will not actively seek to develop or acquire nuclear weapons during the period of this estimate.²

13. *Other Issues.* Other matters will also probably becloud US-German relations over the next few years. In West Germany, as elsewhere in Europe, there will be occasional outbursts of resentment over the technological gap between the European and American economies, and over US investment in European industry. German unofficial criticism of US policy in Asia will probably increase, as long as the US military involvement in Vietnam continues with no clear sign of resolution to the conflict. Closer to home, there may also be further criticism of the US (and the British and French) if they continue to refuse to allow Berlin representatives to vote on substantive matters in the Bundestag. None of these issues is likely to have a major impact, but all will contribute to the malaise in US-German relations.

B. Possibilities and Limits of Rapprochement with France

14. Before his ouster, Erhard came under heavy criticism for allowing Bonn's ties with Paris to deteriorate, and Kiesinger moved quickly to create a better atmosphere in Franco-German relations. There has been a gradual increase of sentiment in recent years, especially in the Rhineland and south Germany, in favor of de Gaulle's concept of Europe's role. Moreover, German political leaders appreciate the new mobility in European politics which the French President has helped to bring about.

15. The initial meeting between Kiesinger and de Gaulle accomplished what both sides have called a "reanimation" of the Franco-German alliance, but the practical results have been limited. Over the next few years, there will probably be a modest expansion of technical cooperation and exchange programs, and the French will probably continue their low-key diplomatic support of the new German initiatives in Eastern Europe. Certain differences between France and Germany are likely to remain unresolved. Bonn will probably continue to resist

² See NIE 23-66, "West German Capabilities and Intentions to Produce and Deploy Nuclear Weapons," dated 28 April 1966, SECRET CONTROLLED DISSEM, for a detailed discussion of German capabilities and the likelihood that we would detect a German nuclear weapons program.

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any de Gaulle effort to weaken the EEC, but it will not itself give any strong support for progress toward European political unity. Bonn will also continue to favor Britain's entry into the Common Market, but not to the point of vigorous intervention with France. Within the EEC and during the Kennedy Round of tariff negotiations, West German opposition to the more restrictive aspects of French trade policy almost certainly will not decrease. In any event, Bonn is not likely to accept French hegemony in Western Europe.

16. The Kiesinger government will probably increase its cooperation with France in defense planning and arms development and production. Any sizable withdrawals of US forces from Germany would tend to encourage the establishment of new bilateral defense arrangements between Paris and Bonn. For the near term, however, West Germany's commitments to the US and NATO probably preclude major shifts in defense policy or procurement. In addition, Defense Minister Schroeder and some military leaders have reservations about French military policies and will want to move cautiously in this area.

17. The status of French forces in Germany appears to have been resolved in a manner which will not cause friction between Bonn and Paris in the next several years. Those in Germany who favor closer ties with France were pleased to arrive at the present arrangement bilaterally and outside of NATO. The question of the relationship of these forces to NATO is not likely to be reopened by the Germans.

C. Bonn's Eastern Policy

18. The main emphasis of West German foreign policy for the near future will be on the expansion of ties to Eastern Europe. The Kiesinger government is not optimistic that its initiatives will bring much progress toward the reunification of Germany in the next few years. But its objectives in fostering better relations with the East European States are to wean them away from their orientation toward East Germany and to stimulate a sympathetic attitude toward eventual German reunification. The hope is that some day such developments either may convince the USSR that maintenance of the East German regime is no longer essential to the Soviet position in Europe, or may cause changes in the East German regime itself which would bring reunification nearer.

19. The grand coalition has accelerated earlier efforts to improve relations with Eastern Europe. In January 1967, Rumania accepted diplomatic ties with Bonn. This development produced a state of high anxiety in the East German Government. In consequence, East Berlin and Warsaw have brought pressures, with Moscow's help, to rally the East European States against Bonn's diplomatic offensive.

20. This has delayed the establishment of diplomatic relations between West Germany on the one hand and Hungary and Bulgaria on the other. Nevertheless, we expect to see these ties come into being before the end of 1967. Bonn's recent talks with Czechoslovakia have been brought almost to a standstill, but here also it is probable that diplomatic relations will be established within the period of this estimate.

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21. West German relations with Poland will probably develop more slowly than with Czechoslovakia. Chancellor Kiesinger has implied some flexibility in his approach to the Oder-Neisse border problem, and he may be able to find some partial concession on this issue which, while not fully satisfactory to the Poles, would be sufficient to bring about diplomatic ties.

22. Yugoslavia, observing the West German program for expansion of ties to Eastern Europe, has indicated a desire to resume diplomatic relations. Bonn has shown interest in the Yugoslav reaction and the logical thrust of the FRG effort to improve relations with Eastern Europe should lead the West Germans to establish diplomatic ties with Yugoslavia. Because of Yugoslavia's past challenge to the Hallstein Doctrine, however, the outcome is uncertain.

23. The East Germans are clearly alarmed by Bonn's *Ostpolitik* and will probably shy away from new contacts or understandings with the Federal Republic for the near future. For their part, the West German Government will seek to expand contacts with East Germany, and may even propose discussions between high officials of both governments. Such high-level contacts might eventually develop to the point of approximating *de facto* recognition, but Bonn will almost certainly not grant *de jure* recognition to East Germany in the period of this estimate.

24. It is unlikely that the West German initiatives in Eastern Europe will bring about any major change in Soviet policy toward Germany. Soviet leaders have stated that they would be receptive to meaningful West German overtures, but they argue that the Kiesinger government has as yet made no substantial change in West Germany's basically "revanchist" foreign policy. Moscow is responding to West German moves by reiterating its old demands that Bonn abandon all claim to nuclear weapons, accept the present boundaries in Europe, and recognize the existence of two German states. In these circumstances, the Kiesinger government is apparently already exploring ways in which it might conciliate Moscow as well as Warsaw on these points. During this process, Bonn will probably try to minimize public disputes with the USSR and to expand its contacts to Moscow through a variety of channels.

25. Inside West Germany, the grand coalition's eastern initiatives may stimulate political discord. Conservative leaders, such as Strauss, are unenthusiastic about many aspects of the new policies, and will probably be ready to capitalize on any failure or embarrassment in order to better their own political positions. Expellee and refugee groups are already suspicious that the government may make concessions to Poland or to Czechoslovakia, and may be able to attract support for their views from other conservative elements in the Federal Republic. The NPD and other nationalist groups would almost certainly benefit from such a development. Loss of momentum in the government's *Ostpolitik* would create pressures at the other extreme—mainly among elements of the FDP and SPD—in favor of the very concessions to the East which expellee groups, the NPD, and much of the CDU/CSU would oppose. On the whole, we believe that the coalition parties will be able to contain pressures of this kind.

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