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The Outlook for West Germany

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The Outlook for West Germany

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THE OUTLOOK FOR WEST GERMANY

THE PROBLEM

To estimate the outlook for West Germany over the next few years, with primary emphasis on foreign policy and West Germany's role in the Western Alliance.

CONCLUSIONS

A. Developments both within and outside West Germany in the postwar years have worked to create forces favorable to internal stability and a firm western orientation. Adenauer's probable departure during the period of this estimate is not likely to occasion political instability or lead to any basic recasting of West German policies. (*Paras. 3-11, 13, 17*)

B. As its economic and military strength waxes, West Germany's relationships within the Alliance are likely to be marked by greater assertiveness, particularly in matters which affect West German security. The desire for full equality will also affect the Germans' attitude toward control of nuclear weapons. They would prefer a NATO-wide system of joint control, but failing this would wish to participate in any joint European system which might develop as European unity advances. Only as a last resort would the West Germans eventually seek to acquire nuclear weapons under their own control. (*Paras. 23-26*)

C. West Germany will continue to promote European integration, as well as close Bonn-Paris ties. West Germany's interest in a "Large European" solution, embracing more than the European Common Market states is also likely

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to grow, particularly when Adenauer departs. But whatever form the European unity movement may take the West Germans will not wish it to carry any implication of separation from the US in matters of defense and security. (*Paras. 27-29*)

D. West German policy is likely to remain firm against any settlement on Berlin which in effect would shut the door to reunification or affect the essential viability of Berlin, including the Western military presence there. A settlement overstepping these limits would seriously damage West Germany's relations with its allies. We do not believe, however, that even a settlement of which the Germans disapproved would lead them to abandon their basic western-orientation. The nature of the West German reaction would depend to considerable degree upon the specific terms of the settlement and the conditions existing at the time, particularly the risks of a major military action. (*Paras. 18-22*)

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DISCUSSION

I. INTRODUCTION

1. The "Adenauer era" is clearly entering its final stage. Since his party's setback in last fall's election, evidences of weakening in the Chancellor's authority, prestige, and popularity have multiplied. It is apparent that the 86-year-old Adenauer is no longer able to dominate policy as completely as he has in the past. As the Chancellor's departure from the scene approaches, competitors for the leadership of public opinion and for political power are becoming more active.

2. This first important change in the political guard in West Germany since 1949 is occurring at a time when "reconstruction" has become history, and when the West Germans are beginning to feel that their growing military and economic power entitles them to a more active role in the Western Alliance. It also coincides with a time of shifting external conditions directly affecting West Germany. The extended Berlin crisis, the acceleration of West European integration, and the complicated new problems emerging in NATO military policy have made West Germans more conscious of their exposed position on the periphery of the Bloc. These developments have highlighted once again the fundamental difficulties involved in reconciling West Germany's basic security interests and western orientation with the national objective of reunification.

II. BASIC FACTORS OF STABILITY

Political Trends

3. Despite these auguries of change, the postwar development of West Germany has produced strong factors of stability which will continue to have a steadying influence on German policy and politics in the years ahead.

With continued prosperity and the related trend toward political moderation, there are today no serious internal conflicts over basic domestic policies. Extremist elements have now either disappeared from political life or have taken refuge in the ranks of the moderate parties, in line with a trend toward a two-party system. There is the same basic consensus in matters of foreign policy. Divergencies between the major political forces and groups have tended to diminish in recent years and the policy of close integration with the West pursued by Adenauer for more than a decade now has widespread support. Such issues as the degree of West German involvement in NATO, commitments to emerging European groupings, the defense buildup, and the futility of bilateral talks with Moscow, have largely disappeared from the serious political dialogue between the major parties.

4. The cumulative effects of West Germany's policies under Adenauer, accompanied by a general rise in personal well-being and by progress toward broader European goals, have resulted in strong psychological as well as practical ties to the West, particularly the US. These bonds now have a political importance of their own. They have not entirely replaced narrower national concerns, but they will tend to work against sharp swings in policy, or opportunistic political actions damaging to the West.

5. This intimate relationship with the West has also helped to encourage political and social changes in West German society which should make for stability and moderation. For example, the subordination of the military forces to civilian authority and their association with NATO have operated to limit sharply the involvement of the military in internal politics. In the economic field, postwar liberal

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policies, wider distribution of wealth, and growing economic integration with the West have strengthened the western orientation of major economic groupings. In many ways West German society has come to resemble more closely that of other democratic European countries. These changes, coupled with the full cooperation of West Germany in NATO and in the development of European integration, have also impressed other nations. As a result, the psychological gulf between West Germany and its allies has been narrowed and the chances of serious misunderstanding within the Alliance reduced.

Security and Broader National Considerations

6. The West Germans also recognize that their broader security interests are such that they must remain closely tied to the West, especially the US, for the foreseeable future. West German fear and distrust of the USSR are deep-seated and not likely to change markedly. The West Germans are now also overwhelmingly of the opinion that the USSR will not alter its hard positions on matters affecting reunification and recovery of lost territories. Hence they are not disposed to limit their cooperation with the West in hope of obtaining Soviet concessions to German interests.

7. Further, the West Germans recognize that they are unable to develop a military position strong enough to permit a foreign policy independent of their major allies. By 1965, West Germany will probably have about 500,000 men in uniform. While impressive in European terms, such a force will not alter the basic fact that relative to the US and the USSR West Germany will continue to be a "second level" military power. In military terms, West Germany's national territory is hardly adequate to constitute a combat zone, and the Bundeswehr's zone of communications

lies almost entirely outside the country on the territory of NATO allies. West Germany has chosen to accentuate the dependent state of its armed forces by extensive integration of its logistical support system with that of US forces in Europe. Furthermore, the West Germans could not independently develop an effective nuclear weapons capability during the next few years, and will remain totally dependent upon their allies for nuclear weapons support.¹ Thus, their military strength is significant only in the context of NATO arrangements.

Economic Considerations

8. The basic economic conditions contributing to West German stability and western orientation are likely to persist for some years. Although the West German boom has tapered off, present indications are that the gross national product (GNP) will continue to increase three to four percent annually over the next several years, despite a labor shortage and some weakening of West Germany's competitive trade position. This rate of growth is adequate to support both a continued rise in general living standards and increased military and foreign aid expenditures without heavy deficit spending. Further, with reserves that appear to be holding steady at about \$6-\$7 billion, the foreign exchange position will continue strong.

9. The nature of West German trade will continue to strengthen West German ties with the West. Foreign trade accounts for 30 percent of West Germany's GNP, a figure more than double that of the prewar period. Nearly 95 percent of this trade is non-Bloc

¹ On West German capabilities for nuclear weapons development, see NIE 4-3-61, "Nuclear Weapons and Delivery Capabilities of Free World Countries Other Than the US and UK," dated 21 September 1961, paragraphs 39-43.

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trade.² With the Common Market now creating a great free trade area in Western Europe, West Germany's trade links with its Western partners will grow even stronger.

10. Even in the unlikely event that the present trend toward European economic integration should be checked, the basic strength of the West German economy, its diversified trade, and its large reserves, would make any critical economic setback improbable. West German interest in trade with the East would probably increase, but in view of the limited capabilities of the Soviet Bloc to provide desired commodities, it is unlikely that the essentially western orientation of West Germany's trade would be dramatically changed.

Summary

11. Thus, developments both within and outside West Germany have worked strongly in the postwar years to create forces favorable to internal stability and a firm western orientation. In general, the West Germans are now strongly disposed to believe that the nation's security and prosperity can only be maintained within the context of close ties with the US and its allies. There is little on the West German scene which appears now to give any ground for alarm. Nevertheless, it is also true that the last decade has been extraordinarily favorable for the development of democratic stability and pro-Western orientation. There are, moreover, a number of problems in view, both domestic and external, which could test West Germany's stability and its ties with the West in the years ahead.

²In 1961, the breakdown of West German export trade by general areas was as follows: Western Europe, 65 percent; US and Canada, 8 percent; Sino-Soviet Bloc, 6 percent, of which one-third was with East Germany; and the rest of the world, about 20 percent.

III. THE PROBLEM OF SUCCESSION

12. The withdrawal of Adenauer will test West Germany's ability to conduct its affairs without the help of a dominating figure in the office of Chancellor. There will be some diffusion of political power as Adenauer's authority declines, and perhaps even more so when he retires. This will mean that policy will be exposed to the pressures of personal and party politics to a greater degree than hitherto. In the last few months some of Adenauer's colleagues have already made bold to challenge his conduct of affairs, and an increase in such incidents is likely as political figures jockey for power.

13. However, we believe that the problem of succession—of itself—is unlikely to occasion serious political instability. Given the degree of consensus within West Germany in matters of both domestic and foreign policy, and the basic military and economic trends, it seems highly unlikely that the ascendancy of moderate and pro-Western forces will be in any real danger over the next several years. Moreover, many of the basic political adjustments required by Adenauer's departure are already taking place.

14. The approaching succession problem will, however, bring lively struggles inside the Christian Democratic Union (CDU). It seems likely that the party will be able to agree on a successor to Adenauer and prevail on the latter to give over the reins of power, probably in the next year or so. Vice Chancellor Ludwig Erhard is today clearly the front runner for the succession. Provided that the economic situation does not suffer a sharp unexpected setback which would tarnish Erhard's public image, the CDU and its sister party in Bavaria, the Christian Social Union (CSU), are likely to select him simply because he is considered the best vote-getter the party has. Erhard's candidacy is further strengthened by the fact that the strong men in the party, such as Foreign Minister Ger-

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hard Schroeder, Defense Minister Franz-Josef Strauss, and the new CDU Executive Secretary Josef Dufhues, view Erhard as a "transition" Chancellor. Since each as yet lacks sufficient power to decide the outcome, all will probably be primarily concerned to keep the party in power while strengthening their personal influence in preparation for the next round. There is an outside possibility, especially if the changeover should be delayed, that one of these men could build sufficient power to succeed Adenauer directly.

15. The other parties will also play a significant role in determining the character of future governments. We expect that Social Democratic Party (SPD) electoral strength will continue to increase during the period of this estimate. The party's decision to jettison Marxist dogma has won widespread popular acceptance without causing serious disaffection among old-guard socialists. The number of voters disposed to reject the SPD simply on ideological grounds is declining. However, we do not believe that the SPD is likely soon to enter the government except in the event of a national emergency. The Free Democratic Party (FDP) now holds the balance between the CDU/CSU and the SPD and will probably play a significant role for some time in forming governments. However, because it has been a fractious and unsatisfactory partner, it may become the target of an effort to eliminate it altogether, probably through changes in the electoral law.

16. Thus the basic political alignments in West Germany will probably not undergo any significant change over the next few years. While the style of West German policy after Adenauer will certainly be different, it is unlikely that there will be any basic recasting of West German policies. This is so mainly because no issues are in sight which seem likely to cause a radical shift in party loyalties or to provide a focus for any major new party formation.

17. If there were a serious economic setback or if the freedom of West Berlin were lost, the political repercussions in West Germany would obviously be significant. In either of these contingencies the CDU, which covers a fairly wide spectrum of views on economic doctrine and also bears the whole responsibility for the foreign policy line followed since 1949, would probably lose a substantial part of its strength. Barring developments which would impose such extreme pressures, perhaps the main questions about West German political life have to do with personalities. The role which West Germany will play in Western councils obviously depends greatly on whether it finds leadership of stature or falls prey to the quarrels of politicians. At present the future leadership seems likely to be drawn from a group of men who are essentially moderate, pro-Western, and capable.

IV. PROBABLE ATTITUDES ON MAIN ISSUES OF FOREIGN POLICY

Berlin and Reunification

18. The confidence of West Germans in the efficacy of the Western Alliance is sensitive to unsettling influences arising out of the Berlin situation and the closely related reunification problem. Especially since the erection of the wall in Berlin, there is the possibility that a single dramatic incident could raise feelings sharply and bring about emotional demands for direct action. In such circumstances, the policy dilemma for the West German leaders, as well as their allies, would be obvious. Even short of dramatic incidents, a continuation of the crisis atmosphere in Berlin tends to focus the West Germans' attention on their unresolved national problems. In general, the West Germans are likely to continue to view the Berlin problem as a touchstone of the West's ability and concern to protect West German interests.

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19. West German leadership is convinced that under present circumstances changes in the Berlin situation resulting from negotiations with the Soviets would involve concessions which would weaken West Berlin and chances for reunification. West German policy will continue to aim at maintaining the status quo. Thus the West Germans will seek to prevent incidents (e.g., violence and mass actions resulting from the wall, or uprisings in East Germany) which might bring the issue to a head in negotiation or cause a major threat of war. Likewise, they will be extremely wary of broad East-West discussions on Berlin and will favor procrastination in the hope that delay may somehow bring a more favorable outlook for German interests later on. Currently, the West German leaders seem to feel that the East-West power balance does not require concessions, and are therefore reluctant to consent to them.

20. More specifically, West German policy on Berlin will probably remain firm on two points: there should be no settlement which closes out the prospects for German reunification (e.g., *de jure* recognition of East Germany), or which reduces the prospects for a viable West Berlin. The latter point is construed to include the presence of Western troops in Berlin and the continuation of West German-Berlin ties. These minimum positions will probably be maintained, regardless of the persons or parties in power.

21. A settlement in Berlin which failed to uphold the minimum requirements of the West German Government would seriously damage West Germany's relations with its allies. National self-assertiveness would probably rise, criticism of allies would increase, and West German support for NATO would decline. In particular, there would be a loss of confidence in the US, and the West Germans would be disposed to move, over a period of time, toward increasing reliance on Western European groupings for their defense. It

is possible that important political forces which would be willing to explore a policy of accommodation with the USSR would gain in strength and influence. In any case, the corrosive effects on West German political life and on relations with the Western allies would be deep and long lasting.

22. It is unlikely, however, that during the period of this estimate the West Germans would, as a consequence of such developments, abandon their basic western orientation. They recognize that Soviet policies leave West Germany no acceptable alternative to its fundamental dependence on the West. Moreover, to the extent that the settlement could be defended as necessary, for example as the only way to avoid war, the West German disappointment would probably be mitigated. West German dissatisfaction and political embarrassment would also probably be reduced if the settlement included demonstrable Soviet concessions, or gave promise of improving the lot of the East Germans. Thus, the nature of the West German reaction would depend to a considerable degree upon the specific terms of the settlement and the conditions existing at the time, particularly the risks of a major military action.

Relations within the Alliance

23. Barring actions by its allies which do violence to its interests, West Germany will continue to have an overriding concern to preserve the solidarity of the Atlantic Alliance. There are, nevertheless, certain developments in prospect which will tend to change the character of West Germany's alliance relationships. At a minimum, and as a consequence of its growing economic and military strength, West German leaders will press for a larger voice in the affairs of the Alliance. This tendency toward greater assertiveness will also probably be accompanied by a sharpened sensitivity to any indications that West Germany does not have complete

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equality, particularly in matters which affect West German security. Such a tendency may also be strengthened by the fact that a new generation of West Germans, somewhat less self-conscious about past national transgressions, will be rising to positions of power.

24. *Relations with the US.* West Germany's interest in maintaining close and cordial relations with the US is likely to remain the central tenet of its policy, regardless of the party or persons in power. However, on the broad political level, West Germans see a continuing and basic conflict between West German interests and US policy requirements stemming from the US's role as a superpower faced with broader world responsibilities. Like some other Europeans, West Germans are somewhat uncertain as to the longer term credibility of US support for European security. The West Germans will continue to be hypersensitive and quick to read into US-sponsored changes in the Alliance's political or military policy a US inclination to withdraw from its commitments or to deal with the Soviets at German expense. Thus West German relations with the US are likely to be marked by periodic "crises of confidence."

25. *Security and Nuclear Weapons.* The West Germans will probably increase their efforts to influence NATO strategy in a way which they consider best suited to protect West Germany in its exposed geographic position. In the German view, this means a NATO posture and strategy which places first priority on maximizing the deterrent effect of NATO power. The West Germans see clearly that for them war is a disaster whatever its final outcome. While generally supporting a conventional buildup, West Germany will continue to uphold a strategic policy which postulates quick nuclear retaliation in the event of a major Soviet military action against NATO.

26. The West Germans recognize that the political, economic, and even technical obsta-

cles to their acquisition of nuclear weapons under national control will remain insuperable for the next few years. Nor do we believe that they have decided that even eventually they will wish to have an independent capability. However, with the French move to develop a national nuclear force and the possibility that other nations of no greater stature than West Germany may do so, the Germans are very much concerned that West Germany not fall into a second-class position. In particular, they wish on political grounds to avoid the implication that special disabilities are placed on West Germany or that it is not a fully equal participant in NATO. (They see such an implication in political agreements setting up denuclearized zones or prohibiting the dissemination of nuclear weapons.) They are disposed therefore to support whatever arrangements can be made for a multilateral NATO nuclear force. They probably hope that the British and French can be persuaded to subordinate their nuclear forces to such an alliance system, or if necessary to a European system, in which the Germans would also have weapons and an equal share of control. Failing this, it seems likely that the West Germans will eventually decide, perhaps reluctantly, that they must seek to acquire nuclear capabilities of their own.

27. *Relations with Europe.* West German relationships within the Alliance will also be strongly influenced by European moves toward integration. Like other Europeans, the West Germans would like to be part of a strong political and economic grouping which could deal with the US on more equal terms, and which could reduce, to some extent, Europe's present overwhelming dependence on US military support. This is, however, a long-term objective. Meanwhile, provided that NATO's efficacy as a deterrent to Soviet aggression against Western Europe remains, it is highly unlikely that West Germany will support the creation of a European "third"

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force to stand between the US and the USSR, or will make commitments to any European country or grouping which could cause serious complications between itself and the US. In general, West Germany will endeavor to influence West European developments in the direction of providing a useful supplement to NATO.

28. A high priority will continue to be given the Bonn-Paris link; most West Germans recognize this link as critical to the creation of any viable larger European grouping. In addition, the Bonn-Paris tie may also continue to be strengthened by French support on Berlin. However, Bonn will avoid making commitments to Paris which could hinder European integration or damage West Germany's relations with Washington.

29. West Germany will continue to be strongly attracted to a "Large European" solution, that is, a structure of unity embracing more than the six European Common Market states. There is a strong West German disposition, stemming both from economic and political considerations, to include the UK and other Western European countries in European groupings. This type of thinking will probably be strengthened when Adenauer departs, particularly if Erhard follows or if the SPD gains a stronger voice in government. The departure of both de Gaulle and Adenauer, on whose personal relations the Bonn-Paris link has been forged, would tend to strengthen the forces advocating a "Large European" solution.

Relations with the Bloc

30. *East Germany.* Basic West German policy toward East Germany will be governed by a determination to avoid steps which could suggest any change in the present nonrecognition policy. At the same time, moved partly by feelings of kinship for the East German population, and partly by a desire to retain

economic leverage, the West Germans will favor trade with the GDR and maintain the "technical" level contacts deemed necessary to keep these economic relations going. They will not, however, be willing to enlarge these contacts or raise their level, in part because they do not wish to give other states a pretext for moving toward recognition of the GDR.

31. The replacement of Ulbricht in East Germany would be an encouraging sign to West Germans. However, it is unlikely that such a change, of itself, would be interpreted by West Germans as a shift in Soviet policy sufficiently significant to warrant modification of present West German policies. An uprising in the GDR, forcibly repressed by the Soviets, would engender a strong emotional response in West Germany. Nevertheless, the West Germans would probably limit their actions to nonmilitary activities, while simultaneously pressing the West to take strong diplomatic and economic countermeasures.

32. *East European Satellites.* The traditional German concern with Eastern Europe will probably continue to stimulate West German interest in a more flexible and pragmatic policy toward the other Satellites, particularly Poland. This interest will probably be expressed primarily in terms of enlarged cultural-technical contacts whenever opportunities arise. Further, the West Germans are likely to urge that the Common Market respond to East European efforts to preserve trade ties with the West. The West Germans probably feel that a more active Eastern policy, while not of great immediate benefit, could be helpful in the longer term. If this policy showed some promise, the West Germans might become increasingly disposed to relax the Hallstein doctrine—no recognition of any country, except the USSR, which recognizes East Germany—or even to recognize the Oder-Neisse line.

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33. *The USSR.* Increasing West German interest in normalizing its relations with Eastern Europe could provide the USSR with some opportunities for influencing West German policies, and sowing disruption in the Western camp. But this is likely to be of marginal significance so long as the West Germans continue to be persuaded that they are on a sound footing with their Western partners and that the latter are fully committed to the security of the Federal Republic. The Germans know, of course, that their hopes for a restoration of national unity are held hostage by Moscow. But the belief which was once held in some quarters in Germany that

there was some price which could be paid the Soviets for conceding reunification is now virtually extinguished. The Germans recognize that the Soviets, out of concern for the security of Communist power in all of Eastern Europe, are not really free to dismantle the East German regime. They also know that the Soviets will not cease what amounts to a policy of calumny toward the Federal Republic in the hope of breaking down European unity and the Western military alliance. Thus the subjects of discourse between Bonn and Moscow are likely to remain extremely limited for a long time to come.

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