

THE POSITION OF GERMANY IN WORLD AFFAIRS

Mr. James P. Warburg

NOTICE

This lecture has not been edited by the speaker. It has been reproduced directly from the reporter's notes for the students and faculty for reference and study purposes.

No direct quotations are to be made either in written reports or in oral presentations based on this unedited copy.

Reviewed by: Colonel P. E. Klein, USAF

Date: 12 April 1960

INDUSTRIAL COLLEGE OF THE ARMED FORCES

WASHINGTON, D. C.

1959-1960

THE POSITION OF GERMANY IN WORLD AFFAIRS

8 March 1960

CONTENTS

	<u>Page</u>
INTRODUCTION-- Colonel Edmund P. Flynn, USA, Member of the Faculty, Industrial College of the Armed Forces.....	1
SPEAKER--Mr. James P. Warburg, noted author.....	1
GENERAL DISCUSSION.....	26

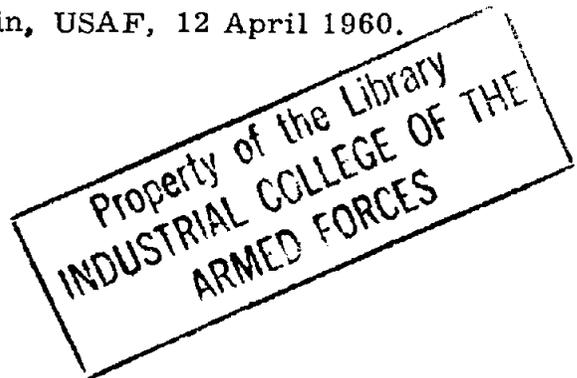
NOTICE

This lecture has not been edited by the speaker. It has been reproduced directly from the reporter's notes for the students and faculty for reference and study purposes.

No direct quotations are to be made either in written reports or in oral presentations based on this unedited copy.

Reviewed by: Colonel P. B. Klein, USAF, 12 April 1960.

Reporter: Ralph W. Bennett



Publication No. L60-145

INDUSTRIAL COLLEGE OF THE ARMED FORCES

Washington, D. C.

THE POSITION OF GERMANY IN WORLD AFFAIRS

8 March 1960

COL. FLYNN: The decade just ended has been referred to as the ten most extraordinary years in the long history of the German people. The leadership during the past has for the most part been strong, intelligent, and honest. West Germany has regained considerable importance and stature in international politics. It is felt by many that she holds the political key to peace and stability and security in Europe, and, for that matter, in the world.

To discuss the position of Germany in world affairs we're most fortunate to have with us this morning one who has traveled extensively in Europe and in Germany, one who has written most considerably on Europe and contemporary Germany, and a noted author and lecturer-- Mr. James P. Warburg.

Mr. Warburg, it's a pleasure indeed to welcome you to this platform and to introduce you to the class of the Industrial College of the Armed Forces.

MR. WARBURG: General Mundy and Gentlemen: Before taking up the position of Germany in world affairs, it may be useful to have a look at the recently changed European context within which the position of Germany must be viewed.

Within the past eighteen months important developments have occurred on the European scene.

Western Europe as a whole has emerged from economic dependence upon the United States. It has become so prosperous that, instead of Europeans worrying about the dollar shortage and looking across the Atlantic for aid, the United States is now worrying about gold being drained from its reserves and insisting that Europe lift its restrictions against dollar imports and assume a larger part of the burden of supplying economic assistance to the so-called underdeveloped areas.

In addition, because of the Soviet Union's remarkable progress in missile development, Europe no longer looks with complete confidence upon the United States as its military protector.

These two factors tend to make the European countries more independent in the formulation of their policies than they have been since World War II.

Within Western Europe, the trend toward integration, which was so strong a few years ago when Western Europe was in deep economic trouble, has been reversed by a new wave of nationalism, especially in France. The idea of establishing an all-European customs union and a single mass-market has been all but submerged in a dangerous division between the so-called Inner Six and Outer Seven.

France, Germany, Holland, Belgium, Luxembourg, and Italy--the Inner Six--originally set out with the blessing of the United States toward a goal of economic integration explicitly designed to lead toward political unification under some form of supranational governmental machinery. It was precisely this avowed political aim which, more than

anything else, caused the British to remain aloof from the original Schuman Plan for establishing an all-European Coal and Steel Community. When the British declined to join, Norway, Sweden, Denmark, Portugal, and Switzerland likewise abstained.

In due course, the Inner Six followed their original step toward integration by adopting the Euratom agreement and the Rome treaties establishing the so-called Common Market. Austria, by now once more independent, joined the British-led outer group in endeavoring to set up a free trade area by means of which the Outer Seven might cooperate economically with the Inner Six without participating in the latter's aim of political integration.

Had this move succeeded, it might have resulted in great benefit to all of Western Europe, just as all of Western Europe had benefited from working together in the Economic Cooperation Administration set up under the Marshall Plan.

Unfortunately, so far at least, the failure of the negotiations between the two groups has resulted in a rapidly widening split which seriously threatens the health of the entire European community.

It would take us too far afield to attempt a thorough-going analysis of the many and complicated demands and counter-demands which brought about this rupture. We may, however, note one basic factor; namely, the altered attitude of France.

Under de Gaulle, France has changed its aim from integration to cooperation, from European federalism to resurgent nationalism. Actually,

this change was implicit, long before the advent of de Gaulle, in the rejection of the European Defense Community by the Mendes-France government. This was in 1954. Since then, President de Gaulle has made the new trend explicit, both in his attitude toward NATO and in his attitude toward the Coal and Steel Community and the Common Market. He favors close cooperation in political, military, and economic matters by a sovereign France with its friends. He opposes all supranational machinery.

If this were all, the altered French attitude might have been expected to heal, rather than to widen, the breach with Great Britain and the Outer Seven. But, unhappily, the change in the French attitude involved a reversion to economic as well as political nationalism; in other words, a trend toward autarchy and away from freer trade. Thus, under French leadership, the Inner Six have tended to close themselves off from the rest of Europe behind a common tariff wall, instead of cooperating as a unit with the Outer Seven.

We come now to an additional complication within the Inner Six.

France and Germany are the essential core of the Inner Six. Indeed, the whole idea of West European integration came about chiefly through three factors:

1. The desire of the United States and Great Britain to integrate West Germany in the Marshall Plan after it had become evident that the partition of Germany and the division of Europe could not be healed in the immediately foreseeable future.

2. The desire of France to prevent a revanchist West Germany from becoming the dominant power on the Continent and again causing trouble by making it a part of a West European community.

3. The desire of Chancellor Adenauer to convert German nationalism into Europeanism, thereby ending Franco-German hostility and striking out along the road which would lead as quickly as possible to Germany's moral rehabilitation as a respected member of the European family.

At this time, 1947-1948, there seemed to be an excellent chance that Europeanism would supplant nationalism as the ideal toward which all of Europe would strive after the bitter experiences engendered by centuries of nationalist quarrels.

What derailed this admirable project was rearmament, caused by Western apprehensions aroused over the Communist coup d'etat in Czechoslovakia and the Berlin Blockade.

The shift in emphasis from recovery to rearmament was bad enough, but what really wrecked the dream was the decision to rearm West Germany. This fateful decision reawakened precisely those fears and ambitions which the newly-found ideal of Europeanism had begun to lull to sleep. It reawakened European fear of Germany on both sides of the Iron Curtain, especially French fear. It reawakened as well the militaristic nationalism latent within Germany.

My own view was and is that it was a fearful mistake to demand German rearmament. Whatever one's opinion on this debatable question,

it seems to me beyond debate that the demand, made by us in 1950, was, at the very least, premature. It is a fact that the decision led to four years of bickering over the attempt to create a "European Army" before anything like a united Europe had come into existence, to the rejection of the European Army by France, and to the reluctant and somewhat paradoxical acceptance by France, already then beginning to show signs of resurgent nationalism, of the creation of a national German army.

Then came the French troubles in North Africa, which drained off French military power across the Mediterranean, thus leaving a slowly and somewhat reluctantly rearming West Germany as the keystone in the arch of Western military defense.

Meanwhile, West Germany's "economic miracle" was rapidly making her by far the most prosperous and economically powerful nation in Western Europe. And, significantly, Dr. Erhard's miracle was achieved by an economic liberalism which ran directly counter to the economic nationalism which was again raising its head in France.

All this brings me to the point, which is that Western Europe has now come to an extremely perilous pass.

Franco-German unity no longer rests upon a common aspiration toward political federalism, nor upon a common economic philosophy. France and Germany are held together for the time being by a curious affinity between two powerful and wholly disparate personalities, each finding it expedient to support the other despite a basic incompatibility of aims.

Chancellor Adenauer has staked his political life upon his ability to make the German people continue to believe in a myth--the myth that they can, at one and the same time, be military partners in NATO and achieve the reunification of their partitioned country; that, by being strong, they will eventually be able to force the Soviet Union to relinquish its East German satellite. Dr. Adenauer's insistence upon this bankrupt doctrine has made it impossible for him to agree to any sort of realistic give-and-take negotiation between the Western powers and the Soviet Union. Under the regimes of Secretaries of State Acheson and Dulles, Dr. Adenauer had the fullest American support for his intransigent position.

President de Gaulle has, so far, supported Chancellor Adenauer, not because he believes in the myth that Germany can achieve reunification and remain a NATO partner, but because he has no great desire to see Germany reunified. Apparently, he prefers having a rearmed West Germany as an ally, especially in view of French preoccupation with Algeria, to having as a neighbor a reunited and militarily neutralized but unpredictable Germany.

In return for de Gaulle's support, Chancellor Adenauer has backed the French President's uncompromising economic policy toward the Outer Seven. This was the real reason behind Dr. Adenauer's move last year to destroy his liberal-minded Economics Minister as a possible successor to the chancellorship.

Thus, each of these two powerful autocrats supports the other in

his greatest folly. The French have a name for such behavior; they call it "folie a deux."

The net result of this arrangement is both to endanger the health and solidarity of Western Europe and to place serious obstacles in the path of Anglo-American efforts to reach a settlement of one of the most explosive issues in the cold war; namely, the future of Berlin and Germany.

Finally, the situation within Germany itself is deteriorating. Communist East Germany has begun to make rapid strides in catching up to the West German "economic miracle." Living standards, while still relatively low, are rising, and discontent appears to be subsiding, except perhaps among the peasants. Significantly, the East German Communist government no longer talks much about reunification. The West German government talks about it, but appears to lack both imagination and initiative.

So much for an abbreviated survey of the European context in which future negotiations must be viewed. We come now to the German problem itself.

The story of the treatment of Germany after its surrender is, to my mind, a history of tragic error.

At Yalta, early in 1945, Roosevelt, Churchill, and Stalin violated and stultified their wartime pledges of a just peace. Having solemnly promised that there would be no annexations of territory by the victors and no territorial changes which did not conform to the freely expressed wishes of the peoples concerned, the three leaders agreed at Yalta to let

Russia annex the Polish Ukraine and half of German East Prussia, and to let Poland, in turn, annex the other half of East Prussia and that part of Germany which lay east of the Oder-Neisse line. This involved the expulsion or Sovietization of some 6 million Poles and the expulsion of some 10 million Germans from their homes.

At Potsdam, Truman and Attlee acquiesced in the expansion of the Polish annexations to an even greater extent than contemplated at Yalta, insisting only that the final demarcation of the Polish-German border should be subject to the determination of a peace treaty. Meanwhile, the Germans have been expelled and the displaced Poles have moved into these former German territories. Now, after fourteen years, it would be as unjust and inhuman to expel the Poles as it was originally to expel the Germans.

The Potsdam agreement for the four-power government of Germany was signed without any consensus having been reached by the four powers as to what sort of a Germany they desired to create. Moreover, the agreement was full of inconsistencies and contradictions too numerous to mention here.

Contrary to widely held belief, it was not the Soviet Union but France which first obstructed the carrying out of this ill-fated agreement. France, then as now under General de Gaulle, refused to permit a four-power agreement to operate unless she were allowed to annex the German Saar and at least part of the German Rhineland. The French took the not illogical view that, if German territory was to be annexed in the East, there

was no reason why German territory should not likewise be annexed in the West.

It was only after several months of French obstruction that the Russians became intransigent, violating the Potsdam agreement as to reparations. Thereupon the United States and Britain retaliated by a countervailing violation. By the end of 1946, everyone was violating the agreement and a total deadlock had been reached.

In spite of this inauspicious beginning, an all-German settlement might have been reached at the Moscow Conference of March-April 1947, had it not been for the fact that the communist uprising in Greece and Soviet threats against Turkey had caused President Truman to enunciate the vague but belligerent anti-Communist Truman Doctrine just as the Moscow Conference was about to begin. A further difficulty encountered by Secretary of State Marshall at this conference was that the West had no common policy with respect to the future of Germany. Stalin wanted a strongly centralized German state which he hoped to control. The United States and Britain wanted a decentralized federal republic immunized against communism. France, on the other hand, wanted neither; she wanted a loose confederation of independent German states. Thus, the Moscow Conference could not help but fail.

There was, however, one more moment when a German settlement might have been reached before the partition of Germany became frozen. This was when the United States came forward with the Marshall Plan-- a return to reason after the ill-considered and provocative Truman Doctrine.

Had Moscow accepted this unprecedented offer, history might have taken a different course. The Soviet rejection of the Marshall Plan rang down the Iron Curtain between Western and Eastern Europe, leaving a part of Germany in each.

At this point the Western powers made what I have always considered a far-reaching mistake. It was wholly logical for the Western powers to include the three western zones of Germany in what had now become a West European Recovery Plan. It was, in my judgment, wholly unnecessary and illogical for them to convert the three western zones into a separate West German state. One did not have to be a prophet to warn, as I did at the time, that such action would almost certainly entail two most undesirable consequences: first, that it would cause the Russians to set up their zone as a Communist satellite state; and, second, that it would cause the Russians to attempt to force the Western powers out of Berlin, on the grounds that, since four-power government had ended, there was no longer any reason for the existence of an Allied Control Commission in Berlin or for the division of that city into Western and Soviet sectors.

Unfortunately, this forecast came true. The attempt to oust the Western powers from Berlin was, as you know, frustrated by the Berlin airlift, but, from this time onward, there were two German states.

For the past ten years, the situation has remained substantially unchanged, except that it was seriously worsened by each side's reckless decision to rearm its Germans.

Throughout the stewardship of Secretary Acheson and his successor, the late John Foster Dulles, the Western powers demanded at conference after conference and in note after note that the two German states be reunited by free elections and that a reunified Germany should remain free to join the anti-Soviet military alliance. Throughout the same ten years, the Russians demanded that Germany be reunified on a trick-laden basis which would give the East German Communist apparatus a chance to gain control over all of Germany. Thus each side demanded the unconditional surrender of the other. Each side pretended to seek the reunification of Germany on its own terms, while actually caring very little about ending the partition. What each side really wanted was the preservation of the status quo, although neither was willing to admit it for fear of alienating its Germans. The Western powers were unwilling to relinquish a German military participation in Western defense. The Soviet Union was unwilling to give up one of its satellites for fear of the effect upon the others.

The exception, from the Soviet point of view, was the status quo as to Berlin. Here was a Western enclave, situated in the heart of the East German satellite republic--an enclave which was not only a Western outpost and a showcase of freedom but an escape hatch through which the most useful elements in the East German population were steadily fleeing into West Germany. As Nikita Khrushchev was later to describe it, West Berlin was a "bone in his throat"--a "cancer which had to be eliminated."

From the Western point of view, West Berlin was of no particular value, except that the West had incurred a moral liability to protect its 2,500,000 inhabitants from being overrun by communism. Strategically, the Western position was untenable. Economically, the position was a liability. Legally, the West had foolishly neglected to obtain an ironclad agreement as to its right of access. (This was one of the almost incredible mistakes made at the end of the war.)

Anyone who had studied the evolution of the Berlin situation knew that some day there would be a second Soviet attempt to oust the Western powers from Berlin, just as any student of Far Eastern affairs could have predicted the second crisis over Quemoy which occurred in 1958. (A third crisis is equally predictable in the absence of a settlement.)

In November 1958, Premier Khrushchev finally cut through the ten-year deadlock with a meat cleaver, summarily demanding that the Western powers get out of Berlin within six months. For the first time, the Soviet leader frankly stated that no one really wanted to reunify Germany except perhaps the Germans; and that if the Germans wished to achieve reunification, it was up to the two German states to work out the problem.

I need not review here the events of recent months--the exploratory visit to Moscow of Prime Minister Macmillan, the fruitless meeting of the foreign ministers at Geneva, and, finally, the withdrawal of the ultimatum by Mr. Khrushchev during his visit to Washington, and President Eisenhower's consequent willingness to discuss the problem of Berlin.

What can be done about Berlin? And what can be done about

Germany?

If there is to be a peace settlement in Europe, it will be necessary for both sides to make concessions.

So far as Berlin is concerned, both sides have already recognized that the situation is "abnormal." Can its abnormality be corrected without correcting the abnormality of a partitioned Germany?

Without knowing what the Soviet Union would or would not agree to, it appears to me that the Western powers must finally face a choice which has all along been inescapable. They must decide which of two things they want most--a German military contribution to NATO or the reunification of the two German states. They cannot have both.

Either choice implies a different sort of solution for the problem of Berlin.

If the Western powers decide that they cannot forego German participation in Western defense, then they must accept the more or less permanent partition of Germany, which implies the recognition of the East German state and the acceptance of the status quo in Eastern Europe. In that case they cannot expect West Berlin to remain as a Western-controlled island of freedom in the heart of the East German state. The most that could in these circumstances be hoped as to Berlin would be its reunification under United Nations authority, with the United States possibly exercising that authority through a re-established Four Power Kommandatura. Even then, it is difficult to see how a gradually increasing economic dependence of the city upon the surrounding Communist

territory could be avoided.

The other alternative would be for the Western powers to decide that they want German reunification more than they want a German military contribution to NATO. They would then put forward a proposal under which the two German states would be enabled to find their way toward reunification without outside interference of any sort. Obviously, this would require the withdrawal of Soviet coercive power from East Germany--an end which could not be attained without a countervailing withdrawal of Anglo-French-American forces at least to the west bank of the Rhine.

Were a German settlement to be sought along these lines, the answer to the Berlin problem would be an agreement to preserve the status quo in that city, perhaps with some modifications, until reunification had taken place and Berlin could once more become the capital of a reunited Germany. (The modifications I have in mind relate chiefly to a diminution of propaganda and intelligence activities and an unequivocal guarantee of free access.)

These, in broad terms, seem to me the two alternatives.

The first is undoubtedly easier to negotiate with the Russians. But I am opposed to it for four reasons:

1. It would freeze the partition of the European community.
2. Were the Western powers to accept Germany's permanent partition, they could do so only over the violent objection of the West German government--an objection which would probably be sustained by the majority

of the West German population. In that event, I should doubt the value of West Germany as an ally. In other words, by choosing this alternative, the Western powers would, in my judgment, destroy the value of the very thing for the sake of which they had chosen it; namely, the retention of an effective German contribution to Western defense.

3. I am convinced that a rearmed West Germany will in these circumstances not only be an unreliable ally but a serious danger to peace. I can conceive of no surer way than this by which to reawaken German irredentist nationalism.

4. Reawakened German nationalism, resentful against both West and East, could lead either to war or--and this seems far more likely--to a German-Soviet deal in which Germany would purchase its reunification and perhaps the return of some of its Polish-held eastern territory at the price of alliance with the Soviet bloc. In that case, good-bye to Europe.

If this seems a nightmarish fantasy, remember that such things have happened before.

I should like to call your attention to the Polish Rapacki Plan as a possible point of departure in shaping a Western proposal. The virtue of this Polish proposal is that it provides for the nondiscriminatory military neutralization of Germany, since it applies not only to the two German states but to Poland and Czechoslovakia as well. Austria is already debarred from military alliances with either East or West. Switzerland and Sweden are neutral by choice. Hungary and Denmark might well be

added to the neutral belt. Thus, there would be no question, as there was in the Versailles Treaty, of imposing demilitarization or neutralization upon a single nation. Indeed, there would be no question of imposition at all. The Western proposal, as I envisage it, would be shaped with the full consent of the West German people.

Let me also make clear that debarment from military alliances would not mean that the states in the neutralized area would be deprived of the right to maintain or enter into whatever nonmilitary association they might wish. West Germany's exit from NATO would not mean that it would have to withdraw from Euratom or the Common Market. Nor would East Germany's, Poland's, and Czechoslovakia's exit from the Warsaw Pact involve the rupture of their economic ties to the Soviet Bloc. On the contrary, one might hope that the creation of a militarily neutralized belt would tend to increase East-West economic cooperation and thus gradually to restore the European trading community.

Is there the slightest chance that the Russians would agree to any such proposal? Would they in any circumstances be willing to withdraw their coercive power from East Germany, knowing that this would result in the downfall of the Ulbricht regime? Would they face the probable effects of this action upon their satellite empire?

No one knows. No one knows because no one has ever tried to find out. There was a time when I felt reasonably sure that we could have had Germany reunified under free all-German elections at the price of its military neutralization. But that was before the Soviet Union had attained

military parity.

There are two major reasons why I think the possibility should now be explored.

The first is a conviction that this is the sort of proposal we ought to make, in our own interest and in the interest of peace. In my opinion, we should have done this long ago, before we ever undertook to rearm West Germany.

The second reason is a belief that a solution of this sort is in Russia's interest no less than in ours; and that, whatever else one may think of Nikita Khrushchev, he has a clear view of his nation's vital interest--perhaps a clearer view than we have of our own vital interest.

I believe that Mr. Khrushchev knows that the Soviet Union's coercive position in Eastern Europe is in the long run untenable; that it will ultimately alienate peoples who might otherwise choose close association with the Soviet Union of their free will. I believe that Mr. Khrushchev would gladly liquidate that coercive position if, as a quid pro quo, he could obtain the withdrawal of American military power from the Continent and the liquidation of American bases on the Soviet periphery.

We cannot, in the present circumstances, withdraw altogether from the Continent. Nor can we, overnight, liquidate our bases. But we can, I think, recognize that this is what we eventually want to do, when and if peace in Europe and elsewhere is assured. And we can start moving in that direction.

We can offer to withdraw behind the Rhine if Russia withdraws

behind the Oder-Neisse.

We can, pending the forthcoming negotiations, refrain from building new bases, such as those which are now being constructed in Turkey.

We can, pending the outcome of our efforts to halt the arms race, refrain from spreading nuclear weapons systems around the world, and discourage our own war industries from rebuilding West Germany into an arsenal.

Ten years ago, we said that we would never acquiesce in German rearmament. In 1950 we demanded German troops, but said that we would never allow Germany to rebuild its own war industries. In 1959 we have agreed to give Germany everything except nuclear warheads--and we're talking about that now--and have permitted our war industries to go into partnership with Krupp, Kloeckner, Heinkel, Messerschmidt, etc., in recreating German capacity to build almost every kind of war equipment.

If we are actually serious and sincere in wishing to halt the arms race and to reach a European settlement, the least we can do is to call a halt in rearming Germany while we negotiate.

If time permits, I would like, in conclusion, to make a few observations about the significance of the recent outbreak of swastika daubing in Germany. To me, the only surprising thing about this occurrence is that it has not happened sooner.

I have never shared the illusion that the Germans as a whole were either penitent, regenerate, or converted to democracy. On the other hand, I am not one who thinks that there is incurable evil in the German

bloodstream, or that the Nazis were merely the logical and lineal descendants of those early barbarians whom Tacitus described as being possessed of the "ruror Teutonicus."

I do believe that the Germans are conditioned by an unfortunate historical background. For centuries, their country was a battlefield across which were fought the religious and dynastic wars of Europe. Germany did not become a nation until long after its neighbors had achieved nationhood.

Since 1871, when Bismarck finally forged German unity in blood and iron, almost all Germany's achievements as a nation were accomplished under strong, authoritarian leadership. The history of Prussia and of Prussian-dominated Germany has deeply ingrained in the German character a reverence for authority (preferably in uniform), a willingness to obey authority, and the desire to be led rather than to assume personal responsibility.

A second important feature of the German background is the fact that the Germans have never completed a revolution of their own. The French revolution was imported into the German states in the baggage-wagons of Napoleon's army. The revolution of 1848 was aborted by the Austrian Habsburgs and the Prussian Hohenzollerns. The incipient democratic revolution which overthrew the Kaiser at the end of World War I was strangled at birth by the anxiety of the victorious Allies to preserve "law and order." And, finally, at the end of World War II, it was again a victorious foreign coalition which destroyed Hitler and undertook the

denazification, democratization, and reeducation of the German people.

Thus, democracy in Germany never came to full flower as a native plant, remaining instead a foreign seed planted on conquered German soil.

Another reason for the retarded development of democracy may perhaps be found in an additional feature of the early German background; namely, that during the centuries when what is now Germany consisted of more than three hundred small kingdoms, principalities, and free cities, many of its people grew accustomed to escape from, rather than to face and solve, difficulties. Protestant minorities in a Catholic principality, instead of fighting for their minority rights, tended to move away under the protection of a neighboring Protestant prince. Catholics in a Protestant state emigrated into a Catholic principality. This may account in part for the fact that the Germans seem never to have learned fully the art of democratic compromise.

These historical factors no doubt contributed to the weakness of the first all-German experiment in democracy--the Weimar Republic. Add to these inherent elements of weakness the fact that the Weimar Republic was born out of humiliating defeat and crushed beneath the burden of an unjust peace treaty; add further an inflation which destroyed the middle class; and a major economic depression and you have the ingredients which made possible the Nazi revolution of nihilism. With an uncanny instinct for mobilizing all the baser passions, Hitler exploited both the nationalist resentments caused by national humiliation and the anti-capitalist sentiment engendered by the depression. Hence the term "National-

Socialist."

In addition, like most revolutionary leaders, Hitler needed an enemy and a scapegoat. The internal as well as external threat of communism provided the enemy. The Jews provided the whipping boy. With devilish cunning, Hitler succeeded in simultaneously identifying the Jews with both exploitative capitalism and with bolshevism. The paradox of this double identification with the two realized antithetical threats to the German body politic was obscured by a shrewdly calculated appeal to the German sense of racial or national superiority.

Something of this sort might, I think, have happened in a number of other countries given the same or similar background and circumstances. What made the Nazi revolution uniquely German was its unbridled sadism and its astonishing failure to generate an effective indigenous revolt on the part of a presumably civilized people against the hitherto-unheard-of extremes of brutal persecution, mass murder, and inhumanity. I believe-- though I cannot prove it--that this counter-revolution might have taken place had not the Western policy of appeasement enabled Hitler to bedazzle the German people with a series of spectacular bloodless victories before he finally embarked upon war. I also believe that had the defeated Germans been left in 1945 to stew in their own juice after being rendered incapable of external aggression, they might, under the impact of defeat, have done a far more thorough job of denazification than was accomplished by the four occupying powers.

I say this because we attempted to do for the Germans what only the

Germans could do for themselves. A conqueror cannot impose repentance and a democratic revolution upon the vanquished. Least of all can four conquerors undertake this task with any hope of success when they disagree among themselves as to what constitutes democracy.

We could and did impose the forms of democracy in West Germany. But the only lesson the Germans learned--more through defeat than through our "re-education"--was that militarism does not pay. And this lesson they promptly unlearned five years later, when we made the incredible mistake of begging them quickly to get back into uniform and to recreate their army. Many, if not a majority, of the Germans were reluctant to do so. The result of this sudden about-face in our attitude toward German rearmament was that militarism again became reputable, so that the average German probably said to himself: "Well, I guess the only mistake Hitler made was that he lost the war."

Denazification was, in my judgment, an even greater farce than "re-education." All that it accomplished was to enable the Germans to close the books on the most disgraceful period in their history and to repress its memory.

Why should it be surprising that teen-agers and young Germans now in their twenties know next to nothing about Hitler, except that he built the Autobahn? How should they know when their school books cover the whole Nazi period, from 1933 to 1945, in a few short paragraphs, and when their parents act as if the Storm Troopers and the Gestapo had never existed and as if Buchenwald, Auschwitz, and Dachau were figments

of someone's diseased imagination?

Why should anyone be surprised at the reappearance of the swastika, when for years both the Germans and we, their conquerors, have tolerated notorious former Nazis in high office in the bureaucracy of the supposedly democratic West German regime? Few Americans realize that the State Secretary who has served as Chancellor Adenauer's right hand in domestic and administrative matters for the past ten years--much as Sherman Adams for a time served President Eisenhower--is a man by the name of Hans Globke, who once wrote the so-called commentaries on the Nuremberg laws. Chancellor Adenauer's Minister for Refugees is Theodor Gberlaender, formerly one of Hitler's expert authorities of East European Affairs; his Minister of Interior, Georg Schroeder, is also a former National Socialist.

These are only the most conspicuous examples. Every German knows that there are Nazis high up in the bureaucracy, among the school-teachers, and even in the judiciary. There are reported to be some 30 Neo-Nazi newspapers and weeklies published in the Bonn Republic and some 40 Neo-Nazi or ultra-nationalist publishing houses.

The swastikas smeared on synagogues are to my mind less a sign of reviving anti-Semitism--there are only some 30,000 Jews in West Germany--than symbols of a disturbing revival of the dormant and unregenerate Nazi spirit.

It seems evident that this spirit is quite deliberately being kept alive not only by a numerically small but by no means insignificant part

of the West German population, but also by a Neo-Nazi or Neo-Fascist International. After World War II, no one took any great trouble to track down the high-ranking Nazis who escaped to Spain, to the Argentine, to the Middle East, and to other places. Some of these gentry are apparently in touch with one another. One group is said to have its headquarters in Malmo, Sweden. Several former assistants of Joseph Goebbels are reliably reported to be working for Radio Cairo. It would not be surprising to learn that there has been a certain amount of contact between these groups and the former Petainistes in France and North Africa, with the followers of Sir Oswald Moseley in Britain, and with certain emigre elements, not to mention the lunatic fringe of hate-mongers in the United States. How else can one explain the widespread rash of swastika painting which broke out immediately after the first well-publicized desecrations in Germany?

If nothing else, this sudden outburst should be a useful reminder that the spirit of fascism is still endemic throughout much of the Western world and that Germany in particular is very far from having achieved immunity.

Chancellor Adenauer himself is certainly no Nazi or Nazi sympathizer, but his reaction to the recent events was to me more shocking than the events themselves. That a man like Konrad Adenauer should keep notorious former Nazis in high office is bad enough; that he should urge his compatriots to take the law into their own hands against perpetrators of desecration shows how skin-deep are both his sympathy for and

his understanding of democracy under law. That his first impulse should have been to blame the desecrations upon a Communist plot to discredit his regime shows how little he understands his own people.

In my judgment, Konrad Adenauer is a loyal friend of the West, but he is not and never has been a believer in democracy. He is precisely the type of nineteenth century autocrat whom not all but the vast majority of Germans still admire and want as a benevolent father-figure. Were he a less benevolent father but equally successful in providing prosperity and the rehabilitation of German prestige abroad, the majority of Germans would follow him with equal docility.

The German people as a whole are still a sick people whose sickness is concealed by the "economic miracle" and by the manner in which their sins have been glossed over in the frantic Western effort to create an anti-communist front. To recognize this is not to say that the Germans are incurable, but only to say that their sickness has not yet been cured.

If the current outbreak of Nazi symbolism serves to shatter Western complacency about the present condition of Germany and about its fitness to serve as a bulwark of democracy, especially if it remains partitioned and remilitarized, then the outbreak will, in this observer's opinion, have served a useful purpose.

CCL. FLYNN: Mr. Warburg is ready for your questions.

QUESTION: I am intrigued ^{with} your reference to the Truman doctrine as ill advised. I have always been under the impression that this was one of the better things that Truman did. I wonder what you would

have substituted for it in the case of Greece and Turkey.

MR. WARBURG: There are two questions involved there. One is the question of aid to Greece and Turkey, which I think was very well advised and very necessary. The other was surrounding a necessary act with a vague and highly belligerent doctrine which I think ^{was} quite unnecessary.

I was for aid to Greece and Turkey, but the way the Truman Doctrine originated, I happen to know, was that Senator Vandenberg was in the White House when the British dropped the brick and said, "We can't do this any more"; and Vandenberg said: "Mr. President, if you want to get this \$400 million through Congress, you've got to appear before Congress and scare the hell out of Congress and the American people." And this assignment was given to the State Department, who then drew this speech. And I think this was an ill-advised thing partly because nobody knew what it meant. It scared our allies much more than it scared the Russians. And also it was done at a time when we were sending our Secretary of State to Moscow to try to settle this German problem.

QUESTION: Mr. Warburg, we have had several speakers tell us that nationalism was on the wane in the world since the close of the war. I noticed this last week that the Common Market people have started to interrupt the sessions in Paris. Now, how does this tie in with what you said about the increase of nationalism?

MR. WARBURG: I don't see how anybody could say that nationalism is not increasing. There has never been a time in the history of the world when new nationalisms have proliferated to the extent that they have been

doing in the last few years and when there was a resurgence of old nationalism. I mean, de Gaulle is nothing if not a nationalist.

Now, as far as the Common Market people are concerned, they are getting closer and closer together. But there is a split on economic philosophy between France and Germany which is concealed by this what I called folie a deux, where they back each other in their wholly disparate aims.

If you like, the Common Market is a nationalism which covers more than one nation, but it is still a nationalism.

QUESTION: One of the key planks in your platform for recommending a demilitarized Germany is to unify. Is this a feasible thing that really may work for any long haul considering the other bigger aspects of the German people after they do get together?

MR. WARBURG: Well, in the first place, I didn't say a demilitarized Germany as much as I said a Germany debarred from military alliances. They are two different things.

I think the ideal thing would be a demilitarized not only Germany but that whole central zone. I doubt very much whether you could get German consent now to demilitarization. I think you could still probably get consent to a debarment from military alliances.

QUESTION: Well, it's the same thing as saying that you can't have an alliance, which doesn't mean very much when you get a powerful Germany with the power to do what it wants, in effect.

MR. WARBURG: Except make military alliances.

QUESTION: They don't have to have alliances really to throw their weight one way or another when it's too late to control it.

MR. WARBURG: The whole thing that I'm talking about is not without risk. There isn't anything you can do now without risk, because the fat's in the fire. I just think the risk of doing this, or trying to do it, is infinitely less than going on the way we are going, which means that you keep a partitioned Germany, more and more armed with modern weapons; and there is nothing which so solidifies the satellite Soviet bloc as the fear of this kind of a partitioned Germany. Germany partitioned is going to be a time bomb ticking in the heart of Europe until it gets together.

QUESTION: Mr. Warburg, if I may, I'd like to quote from my reading assignment for today. This is from "Unity for Germany," by Karl Loewenstein. There are a couple of places here where he speaks with regard to unification. The first is: "Any traveler, however, who is able to speak with the people themselves is struck by their complete indifference toward this issue." And further down: "The classes ruling the G. F. R., the bureaucracy and big business, have no interest whatsoever in the Eastern zone. Satisfying the steadily rising domestic demands for consumer and luxury goods and making money in the lucrative export trade, businessmen dread the day of unification" and so on and so forth. Now, I understand that you think that unification is pretty important. Would you care to go into this further?

MR. WARBURG: Yes. Loewenstein is perfectly right. You talk

to the average person in West Germany, and his attitude toward East Germany is pretty much that of someone who has poor relations somewhere and sends them a Christmas package and forgets them the rest of the year.

This paradox is not a paradox, because once the miracle is over-- and it isn't going to last forever--once the Germans are not so fascinated by consumer goods and so forth and higher wages and all of that, this is going to become an important issue. And once you have someone other than Adenauer as chancellor, for instance, Mr. Strauss, this can turn overnight, because no politician can fail to make this an issue. No German politician can fail to talk about reunification.

Now, at present this falls on pretty apathetic ears in West Germany, because they never had it so good. But let the Communists catch up in living standards a little bit, and let West Germany sink a little bit, and I think you'll have a different picture overnight.

QUESTION: In a recent television appearance Viscount Montgomery charged that the trouble with the world today was that the major nations were headed by sick old men. Do you have any outlook for the future leadership in these countries that you discussed today which would give us the young and vigorous guidance which is needed to find a way out of this trouble?

MR. WARBURG: I wish I could say "Yes." But it doesn't follow that because you can't put your finger on such people, they don't exist.

In Germany the great gap is in the opposition. In the Social Demo-

crats there's one very good man, Tolera Smith, but he's had a stroke and he's old and he couldn't do the job. He's got the right ideas.

The Social Democrats are woeifully weak. It's a party of functionaries rather than a really democratic party. Schumana, the original one after the parting shot, was an extremely powerful, strong character but an ardent nationalist. He would have been something like Adenauer in Socialist terms. Billy Brandt probably is the most likely leader of the Social Democratic Party, and he is just as intransigent about coming to any kind of agreement with the Russians as Adenauer is.

In France I haven't the vaguest idea what's going to happen. If de Gaulle dies tomorrow, I think you'd have an army coup. I don't know what that would result in. The only man who has made much sense in France in recent years is Mendes-France, and he's completely cooked himself, I think, with the French people.

I wish I could give you a more optimistic answer.

QUESTION: You made mention of our arms industry working with the German arms^{industry.} It seems to me that a little over a year ago there was some publicity about an attempt to form a cartel between the French, Italians, and Germans, a state movement for armament cooperation. What was the rate of that, and how does that parallel the remarks you made regarding American industry in Germany?

MR. WARBURG: They are two entirely different things. I am not fully informed about what happened to this thing, except that I know it didn't happen. They never did really agree.

What is happening with the American investment in Germany has very little to do with policy. It has to do with a curious thing that is happening in American business, and that is that, due to monopolistically administered prices, our basic industries are pricing themselves out of the market. So what they do is to take advantage of the lower wages and so forth in other countries and, instead of remaining exporters, they have become manufacturers in other countries. And this investment in the German arms industry I think is to be understood at least as much in those terms as in a conscious decision to try to build up the German arms industry.

One of the great weaknesses of NATO has been that there has never been a proper infrastructure. They have never agreed on weapons or weapons manufacture or logistics. Everybody says we're integrated but they really aren't.

QUESTION: I found in trying to account for the things that threaten the republic in Germany that particularly the Minister of Finance, the ~~the~~ Minister of Economics, has very little power over the various states except western Germany. They couldn't direct anything. They had to recommend. Is this going to be a problem in the future in that the Germans may become a partner in some of these alliances outside of Germany?

MR. WARBURG: The question is whether the division of Germany into lunder and the decentralization of power is going to be a problem in the future.

It may be a problem. It may also be a saving grace. It depends on what kind of a government you prognosticate in Bonn. If you have an Adenauer who is less loyal to the West and less benevolent, then it might be very useful to have a few state governments be able to oppose that kind of a federal government. On the other hand, if this results in what the French have always wanted--splitting Germany up into really a loose confederation of separate states--then I think it would be disastrous. So it all depends on what develops in Bonn.

This is not true, I think, except in the areas you mentioned. Even in economics, the Economics Minister has quite a lot of power, because the industry of Germany crosses the lunder line and is more or less homogenized and horizontalized, just as it is in this country.

QUESTION: You have painted a rather dreary picture of the Germans and where they're going and where they might go. My question is, Do you feel that resurgent German nationalism is a greater peril to world peace than a Soviet Russia nationalism? There are so many things that could happen that would give them a little more power than they have.

MR. WARBURG: Well, no; I certainly don't think it's a greater danger than Communist imperialism. The danger I point to is that the two may get together; that if you leave Germany partitioned, and if we go on growling at the Russians and the Russians growl at us and the Germans remain partitioned, the logical answer is for the Germans and the Russians to get together, as they have in the past, with the Germans indulging in the wishful fantasy that they're going to manage the partnership.

QUESTION: Sir, in the last month or so there have been reports that Western Germany has struck up some sort of alliance or pact with Spain contrary to all the agreements under which she is supposed to be living, for military purposes. With this in mind and apparently with your recommendation of a united Germany which is bound by other treaties not to ally itself with other nations, have you any reason to believe that East Germany, Russian Germany, would be controlled any less closely than would a unified Germany and be any better as far as keeping its word?

MR. WARBURG: Let me take the last part of this first. I don't think you can trust any country to keep its word. Old Lord Orr was asked in a television interview by Mike Wallace not long ago--completely out of context--he threw at the old man: "Lord Orr, would you trust any agreement that the Kremlin made?" and the old man said: "I wouldn't trust any foreign office, includin' me own."

I don't think it's a question of trust at all. Actually what the West Germans propose to do doesn't violate any treaty. It violates common sense and I think it is an extremely tactless and stupid thing to do. They do need some kind of back area--there's no doubt about that--if you want them to do what we want them to do. It isn't what I want them to do. But to try and do this in Spain and revoke all the memories of Hitler and Franco I think is about as stupid as anything ~~that~~ could be. But this is what the Germans have a talent for doing.

I think to a large extent this is our own fault, because we could have prevented this. We weren't taken by surprise. This is something we

knew about, and so did the other NATO nations. But the Germans said: "Oh, we're only going to feel this out"; so nobody raised any serious objections. The next thing after feeling it out is, you will find they have made some kind of agreement. I don't think they will make it, because I think NATO will veto it.

QUESTION: About a year ago, or perhaps a little longer, the Russians were talking about withdrawing from East Berlin, and at that time the State Department or our Government made the flat statement that we would not deal with any East German official; that we held Russia responsible for the conduct of that eastern zone of Germany. What will actually happen, in your opinion, sir, if the Russians just flatly pull a coup and back out of East Berlin?

MR. WARBURG: This really puts us over a barrel, because what we want is, we want the Russians to get out of all of eastern Europe. And yet here we're put in a position where we have to object to their getting out of part of Germany.

Actually, what happened, if you remember, was that Dulles, after this first statement which you quoted, said that we might accept the East Germans as agents for the Russians, and this caused consternation in Bonn.

I think we are in pretty much the same kind of position in regard to not recognizing the existence of the East German state as we are in relation to China. And the shortest answer to that was given by Mike Pierson one time, a former Foreign Secretary of Canada, when he was being given the Nobel Peace Prize and somebody asked him to comment

on American policy with respect to China, and he said: "I don't like to comment on the policy of a neighbor, but I will comment on the habitual posture of a large bird. I have always thought that the ostrich position was both vulgar and vulnerable."

QUESTION: Sir, it seems that the Council of American trade must not have taken the most intelligent approach to some of the problems facing us as global leader of the free world since the last war. Would you care to give your comment as to what our Government might do to correct this situation?

MR. WARBURG: I tried to give you that in my presentation. I think we ought to make a proposal, ought to persuade the western powers to join us in making a proposal, which is essentially a fair, sensible proposal, even if we were 90 percent sure that the Russians would turn it down, because this is the only way we will keep world opinion with us. World opinion is sick and tired of the deadlock position which keeps everybody sitting on the hot seat. I spelled out what I thought the proposal should be.

QUESTION: I was thinking a bit more about our policy-making machinery within the country in order that we wouldn't continue to make the same sort of mistakes that we have in the past.

MR. WARBURG: Did you read Mr. Lovett's testimony the other day?

QUESTION: Yes.

MR. WARBURG: I couldn't express my views any better than he expressed them. I think that one of the great troubles with our policy-

making machinery is that under the staff system, which is fine in military affairs but, I don't think, much good in political affairs, the President isn't given the opportunity to hear opposing views ventilated. What happens is that the opposing views are hashed out at a lower level, and then there is an agreed position put up to him. You know what an agreed position is. It's no position.

This is what happens. It's an awful chore for the President to have to listen to both sides and hear the debate; but unless he does, I don't think he can be expected to make intelligent decisions. In fact, he doesn't make decisions at all. He just either accepts or rejects an agreed paper.

I'm sure you have that statement of Lovett's here in the library. That statement I think was a gem.

QUESTION: I think you indicated in your address that you thought the economic boom in Germany was going to come to an end. If that's true, what do you think will bring it to a close?

MR. WARBURG: Well, it's like saying it's going to stop raining. It always has. Every economic boom comes to an end. Was your question what will make it come to an end?

QUESTION: Yes.

MR. WARBURG: It'll run its course, like any economic boom, unless the German productive machine, and our own, and the productive machines of all the industrialized powers, are harnessed together in a sensible plan to serve the interests of the two-thirds of the world's population which is underprivileged. If that happens, it may keep the

boom going. But I see very little indication that anything in this direction is happening.

it.

There is some talk about/ There wasn't any talk about it until very recently. But whether this will happen in time so that excess production in Germany will be channeled on into creating new outlets in other parts of the world, I wouldn't dare prophesy. But I think it's perfectly safe to say that any economic boom that has run as rapidly and as far as this one has is going to stub its toes sooner or later.

QUESTION: If we accept your thesis that we made a serious mis-
Western
take in 1950 in encouraging/Germany to rearm, can't we also consider that that's a little bit of Monday morning quarterbacking when we criticize the people that made that decision at the time, because, as I remember it, at that time there was the Berlin Airlift, there was Korea, and very pressing, at least to me, reasons why we should get all the allies that we could. So isn't there some defense to this action?

MR. WARBURG: As far as I am concerned, this is not Monday morning quarterbacking. Nor do I agree that the reasons you state were why we rearmed West Germany. I'll take just a minute to tell you that story.

I was asked to testify before the Senate Foreign Relations Committee in May, 1949, on the then-pending North Atlantic Treaty. I was in favor of the commitment to the West European signatories, that if they were attacked, we would as of that day be in the war against the aggressor-- period. I warned the Senators against stretching this treaty commitment

into a commitment to defend Western Europe at its frontiers in central Germany. This is what the French were demanding. Their Prime Minister said: "We don't want to be liberated. The next time you liberate us, you will liberate a corpse"--a very logical, understandable position, but an unfulfillable one.

I pointed out that if we undertook to do this, in the first place, we were sacrificing freedom of action and decision in a war, which is always stupid; and in the second place that this would inevitably result in our increasing our garrison in Germany and keeping it there permanently, Mr. Acheson having just told the Senators that we would not do this; and it would also result in our rearming West Germany, because sooner or later people would say: "Well, if our boys are going to be defending West Germany, why shouldn't the Germans help to defend themselves?"

The Senators agreed that no such thing was in the wind. Acheson had the day before said: "We will never acquiesce in the rearming or remilitarization of the Germans."

The committee report accepted the treaty with an explicit statement by the Democratic chairman, Connally, and the senior Republican, Vandenberg, that this is not the intention. And yet within six weeks we took this stretched commitment.

Now, the minute you did this, you agreed to rearm Germany. And, as far as that goes, the decision was reached before there was Korea. It has been said that this was what started the whole business. I heard Viscount Montgomery of Alamein in November of 1949, six months before

Korea, make a speech off the record to about fifty private broadcasting stations in the shape of members of the Council on Foreign Relations, in which he said that it was absolutely necessary to rearm the West Germans; otherwise we couldn't defend Western Europe.

This was kicked around more or less openly for a year before we made this demand. Korea provided the excuse. But the decision to rearm West Germany was made the day we said that we would defend Western Europe at its frontier in Western Germany. So this is not Monday morning quarterback/stuff on my part. I may have been wrong then, but at least it isn't hindsight.

COL. FLYNN: Mr. Warburg, I want to thank you on behalf of all of us here today for your splendid presentation and for the very, very fine question period.

MR. WARBURG: It's been a great pleasure.

- - - - -