

GERMANY TODAY

8 March 1961

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NOTICE

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INDUSTRIAL COLLEGE OF THE ARMED FORCES

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Dr. Martin J. Hillenbrand, Director of the Office of German Affairs, State Department, Washington, D. C. , was born in Ohio on 1 August 1915. He received his education in the United States, including a Ph. D. from Columbia University. In 1939 he entered the Foreign Service and was assigned to Zurich. Since then he has served in Rangoon, Calcutta, Lourenco Marques, Bremen, Paris, and Berlin. Dr. Hillenbrand was detailed to Harvard University in 1949 for special studies in economics. He was assigned to his present position in September 1958. This is his second lecture at the Industrial College.

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MR. TERRILL: Admiral Patrick, Gentlemen: I am sure that you are aware that no appraisal of world affairs would be meaningful without reference to Germany. To state the matter broadly, Germany occupies a key position--geographic, economic, and political--in the East-West confrontation. Therefore the great issues which involve the Federal Republic are among the most sensitive and even explosive in the entire range of U.S. foreign policy problems.

We are indeed fortunate to have this morning as our speaker Dr. Martin Hillenbrand, the Director of the Office of German Affairs of the State Department, who will speak to us on "Germany Today."

DR. HILLENBRAND: Gentlemen: Last year, when I spoke to you, I dealt mainly with the economic aspects of Germany. Today I will confine my remarks largely to the more distinctively political aspects of postwar German developments.

I think sometimes, harassed as we are by the cares and urgencies of the moment, we tend to lose sight of the more basic realities which underlie postwar political developments in Germany. Perhaps in no other country in the world are these postwar political developments so inextricably linked with American foreign policy. From 1945 on we have influenced the course of developments in Western Germany to an extent that we have been able to do in no other country, even Japan. At the same time, cutting across the slow growth of political institutions, of the economy of the Federal Republic, has been the ever-present fact of the cold war, which has had one of its main focal points in Germany, and, of course, in Berlin itself.

However, it is well to begin by trying to abstract from the cold war aspects of the German situation and to look at the country as it has developed in the past 15 years. If we look at Germany today, there are some fairly obvious things we can say about it--its astounding economic prosperity, its growing political and military importance as a primary member of the Western Alliance, as its pivotal role in the East-West struggle. On the other hand, there are also certain obvious and unpleasant facts. There is the continued division of Germany, the failure of the West to achieve anything significant in the direction of German reunification, and the ever-present menace to our position in Berlin.

People have complained about postwar American policy toward Germany; have described it as unimaginative, lacking in initiative, lacking in a sense of propaganda, for being immobile. Various other epithets have been applied to it. And yet as one looks at the Germany of today, and if one considers that what it is today is at least partly a result of American policy and certainly entirely compatible with the objectives of American policy, then one has to admit that that policy has had really a quite remarkable success.

Those of you who were in Germany in the immediate postwar period, in 1945 and early 1946, will undoubtedly recall the tremendous impression of desolation, ruin, and stagnation which any visitor to Germany obtained. Its major cities were all destroyed. Even the bare necessities of life were difficult to come by. Public utilities were functioning on a part-time basis. And the entire economic fabric of the country had been sundered.

You all recall that, until 1948, when the currency reform was introduced, we had an era of complete domination of normal life by the black market. During this period the beginnings of political restoration were taking place in Germany despite this unfavorable context. And when in 1948, after the currency reform, the Soviet precipitated the first Berlin crisis and blockaded Berlin, and we instituted our airlift, this in effect set the pattern which has persisted until this day. It forced certain decisions on the part of the West which have been followed through ever since.

We decided at that time that it was first of all necessary to contemplate for an indefinite period the division of Germany between an Eastern Zone, controlled by the Soviets, and between the three western zones of occupation. We decided that it would be necessary to attempt to create a state in the three western zones which would be viable in itself and which would move toward becoming a part of the Western World. At that time we weren't yet thinking so much in terms of membership in NATO, or in fact of any German defense contribution. But we were thinking in terms of the economic potential of Germany and its political significance as a member of the Western World.

We knew that a major objective of Soviet policy, obviously, was by some method or other to take control over the whole of Germany, to incorporate the industrial potential, which even at that point was becoming visible, into the Soviet bloc.

You are aware, of course, that in the early years after the war our policy was somewhat schizophrenic toward Germany, because the

influence which had been exercised by the so-called Morgenthau school was still not entirely eliminated; many of its exponents were members of the military government organization as it existed, particularly in such segments as information control, decartelization, and so on. The Morgenthau plan, you will recall, envisaged a permanently ruralized, deindustrialized Germany, which would never again have the industrial potential to become a military power. This obviously was an illusion, an impractical policy to follow; but the concept lived on for some years before it became clearly rejected in American policy.

In any event, in 1948-49 we set in motion--and when I say "we" I mean we in conjunction with the British and French--we set in motion the procedures which led to the establishment in 1949 of the German Federal Republic. The basic document on which that Republic is based is the so-called Basic Law or Grundgesetz. It was not called a constitution designedly, because the Germans wanted to emphasize the impermanence, the transience, of this arrangement in the absence of the achievement of German reunification. Hence they called it the Basic Law.

Well, in 1949 the first elections took place in September and led to the formation of the first Adenauer government. This was a coalition government. The CDU, his party, did not have an absolute majority in the Bundestag, which is the lower house of the German Parliament; and he was forced to form a coalition with the FDP, which is roughly an equivalent of a liberal party in the continental European sense.

This began what can only be called, I think, in terms of historical judgment, the Adenauer era, because there is no doubt but that the one outstanding fact about the growth of German political institutions and of the functioning system of government in the Federal Republic has been the influence of Chancellor Adenauer. He is a man about whom many people have strong opinions, some adverse. But I think there can be no doubt but that the judgment of history on Adenauer will be that, whatever his methods, he has, more than any other single force, been influential in shaping the German political system of today. His impress is on every aspect of government and its functions. When he passes from the scene, he will definitely leave a void. However, that void, as I will try to explain a little later, will not be as great as perhaps the most pessimistic think.

Now, in West Germany we have a viable, operating form of republican, constitutional government. This is a fact which I think many people overlook. In numerous books and articles that are written about Germany

the government is more or less assumed to exist, and certain generalizations are made about the authoritarian nature of the German national character and so on; and there is little recognition of the fact that you do have a functioning, representative form of government, despite the strong impress of the Chancellor's personality.

This government operates at a fairly high level of effectiveness. We have to deal with it in the Department of State. We deal with certain of the ministries, particularly the Foreign Ministry; and we have come to respect the level of competence which exists on the bureaucratic side of the German Government.

We also know, on the legislative side, the rather high level of competence which exists in the Bundestag, which is the lower house, and under the basic German law the main house of the Parliament. We have had very recently in Washington an opportunity to establish personal contacts with many of our old friends in the Bundestag. About 35 of them were here a few weeks ago in connection with this meeting of the Atlantic Bridge Organization.

These men, taken as a rough cross-section of the German Parliament, are obviously a very impressive body of legislators. They are intelligent, they are energetic, many of them are young, and they have ideals by and large which are consonant with our ideals about the future of the world, the future of Europe, and particularly the future of the Atlantic Community.

We know that, while like any large legislative body of over 500 members, the Bundestag has its misfits and its incompetents, nevertheless this is a functioning legislative body, which passes laws, and which has a greater influence over the course of policy than many people, who think purely in terms of the influence of the Chancellor, would believe.

In addition to this Bundestag, we have, of course, the Bundesrat, which is the symbol of the federative or Federal nature of the German state. The Bundesrat, the upper house, has certain definite functions and powers. It is constituted, not by elected representatives, but by representatives appointed by the Lander, or the German equivalent of our States.

One of the things that we were very insistent upon back in 1948 and 1949, when the Basic Law was drafted, was that a Federal system be established in Germany. And this was actually achieved. Through

the Bundesrat and through other Federal institutions, through the limitations written directly into the Basic Law on the powers of the central government, you have a functioning Federal system of government in Germany.

This is another fact about Germany that is often overlooked. In fact, we are now finding that to some extent this Federal system is so all-pervasive that it works to our own disadvantage, because there is no doubt, for example, that one of the limitations on the ability of the Federal authorities in Germany to assist the United States in certain aspects of our payments problems, to raise larger taxes for aid to underdeveloped countries, and so on, arises directly out of the fiscal limitations imposed on the Federal Government by the Federal system which exists in Germany.

For example, the division of the income tax is not at the discretion of the Federal Government. It has to be worked out on the basis of some sort of a deal, which usually occurs only after long and laborious negotiations between the various Lander representatives and the Federal Government. And the Federal Government today only obtains slightly more than 40 percent of the total income tax which is levied in Germany. The rest of the income tax proceeds goes to the various Lander. In this country, where the Federal Government has priority claim on income tax, and the State income taxes are levied entirely apart and usually in very small proportion compared to the Federal take, it's very hard for us to understand how this very basic aspect of tax levying can be a matter for negotiation between the Federal authorities, the central authorities, and the State authorities.

We have therefore a functioning system of representative government in Germany. We have a Federal system in operation. And we also have a strong Government. This Government has had to steer its course through a number of difficult situations. Back in 1950, at the time of the Korean War, the Korean crisis, a scare ran over Europe about the relative impotence of the West, the fact that the West had dismantled so much of its conventional forces--a scare that all of Europe would be overrun by the Russian hordes, the Russian divisions, which were massed in East Germany. It was decided at that time that the Federal Republic, with its already visibly growing strength in the economic sphere, should make a specific contribution to the defense of the West.

This became American policy in September of 1950, and led to the long years of discussion and of effort to get ratified, the treaty establishing the European Defense Community, the EDC, which was supposed

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to be the vehicle through which the Germans would make their contribution to the NATO common defense. You may recall that the EDC treaty envisaged such things as a common army, a common logistical effort; and it was generally geared to preventing the growth of a national army in the Federal Republic.

Well, after many years, in 1954 the French finally rejected the European Defense Community treaty, even though, ironically enough, it had been originally devised mainly to satisfy what were felt to be French fears and French requirements. A very rapid process of improvisation then, largely conducted by Sir Anthony Eden, had to take place within a few months; and in the fall of 1954 the so-called Paris Agreements were signed, which, when ratified in 1955, brought the Federal Republic as a full-fledged member into the North Atlantic Treaty Alliance.

Within that Alliance the Federal Republic has since, while not meeting entirely its force goals, built up to the point where, if it is not already, it will very rapidly become the most potent single member among the European countries of the NATO alliance, and actually will have more troops stationed on the continent of Europe than any other member of the Alliance, including the United States.

This, obviously, has led, and will lead, to an increase in the political significance, the political role, which the Federal Republic will play. And such matters as German eventual membership in the Standing Group of NATO, which is now constituted by us, the British, and the French, will inevitably arise, as will German efforts to overcome certain of the limitations on her armament which are now imposed within the framework of the WEU, the Western European Union, treaty.

But now, with this process of steady growth, of integration into the Western defense alliance in our minds, we might turn back now and consider the role which the cold war has played and the effect which it has had on the German problem, because the basic problems we have today are still those arising out of the cold war.

Once the Berlin blockade had been broken in 1949, and the Soviets had signed, first of all, the Jessup-Malik Agreement in New York and then, a few months later, the Paris communique, resulting from the meeting of foreign ministers in May and June of 1949 in Paris, it seemed like we were entering into a period of relative good relations and relative quiescence. The Berlin problem no longer seemed active. It seemed like the West could again turn without this distraction to the

process of achieving German reunification, which from the fairly early stages of the occupation had been one of the goals. The Potsdam Agreement of 1945 envisaged that Germany would eventually be reunited.

The emphasis at that point, and in the early years of the occupation, was on economic unity, because that was the most urgent need. But gradually, when it became clear that the Soviets would not permit economic unity, the stress shifted to the political scene; and we have the development then in fairly clear terms of the goal of German political reunification as a primary objective of both West German foreign policy and of American foreign policy.

There were numerous meetings which took place--meetings of foreign ministers, meetings at other levels, which took place during those early post-blockade years, with the Soviets. And it became quite clear, if it had not been clear already, that the last thing in the world the Soviets were interested in permitting was German reunification on any terms except those which would have insured eventual absorption of the entire German state into the Soviet bloc. There were many long, wearisome discussions, all of them inconclusive; and when in 1952 the last meeting of foreign ministers was held for several years, it became quite clear that this was not an immediate practical goal of policy.

I understand that you have been given to read an article by Karl Lowenstein, of Amherst College, in which he makes certain observations about American foreign policy as it has operated in the East-West struggle in Germany. One of the observations which he makes is that, since reunification is obviously an impracticable goal of policy, therefore the United States and the other Western Powers, to the extent that they favor it--and he denies that the French and the British actually do favor it--should abandon this goal and should operate on the assumption that reunification is not something which should be in the forefront of our propaganda, in the forefront of our official position, vis-a-vis the Soviets.

Now, this has been proposed, of course, by others than Professor Lowenstein; the only trouble with it is that it really overlooks certain of the fundamental facts about the political forces that exist in Germany today.

It is a fact that no government in Germany could exist as an important force in German political life if it consciously abandoned the goal of German reunification as a primary plank in its platform.

Whether it is the CDU or whether it is the FDP or the SPD, the three principal parties in Germany, all of them, both publicly and privately, sponsor the goal of reunification. Even while they may admit that this is something that may not be achieved in the next 5 or perhaps even in the next 15 years, they all have to keep it in the forefront, because there is no doubt that, while the average West German, having acquired many of the consumer goods, and having acquired a taste for the easy life, is not prepared to go out and fight and die for German reunification, he certainly is prepared to vote against any party which even implies that it has lost interest in German reunification as a goal.

Moreover, it is a fact that one-third of the population of the Federal Republic today has either direct or indirect affiliations to refugee elements. In other words, there are many Germans who did not originate in that part of West Germany where they now live. And even though they have achieved a certain degree of assimilation, the fact is that emotionally--and this is very important when understanding some of the factors that influence German political life--emotionally, they are committed to eventual achievement of reunification, eventual achievement of the old concept of the united German state. They no longer use the term "Reich," but they do still think in terms of a unified Germany. And it would be impossible, I think, for the United States, as it would be impossible for the French or the British, overtly to abandon this as a goal of foreign policy.

Now, in 1955, as you all know, there took place the first so-called summit meeting in Geneva. This had been occasioned by a feeling at that time that some effort had to be made at the very highest levels to achieve a lessening of tension, which had been noticeably growing between the East and the West. Given the development of new weapons, the achievement by the Soviets of a capacity in the thermonuclear field, President Eisenhower was finally, although somewhat reluctantly and against his own judgment to some extent, persuaded to come to the Geneva Conference.

At this conference a communique was agreed which stated that the achievement of German reunification was a principal objective both for the Soviets and for the United States. Mr. Dulles, being a very sharp lawyer, never forgot this, and constantly thrust this communique, to which the Soviets had subscribed, in the face of the Soviets when they later attempted to deny that they had ever agreed that German reunification in freedom--this was the language used--was a desirable goal that they could espouse.

It became quite clear after the summit meeting had ended and the foreign ministers had resumed their discussions in Geneva in 1955 that whatever the Soviets had subscribed to, they were no closer to doing anything practical to accepting the American proposals, the Western proposals, for reunification.

The essence of our proposals has always been that at some point in the process of reunification, preferably at an early stage but certainly at some point before the institutions had achieved definite form, there had to be some possibility of a free expression of popular will, some possibility of an application of the principle of self-determination. We have expressed this in various ways, usually by talking of free elections, although in recent years we have come more to emphasize the principle of self-determination. But this has been a basic ingredient of the Western approach.

The basic ingredient of the Soviet approach has been that you have to have all-German talks; that you really can't unify Germany by having a free expression of popular will, that what you need is to get the East German authorities together with the West German authorities and let them work out some sort of a confederation, which will then, in due course, by some process not defined, presumably move toward reunification.

This constant theme of all-German talks has survived. It survived again in the Geneva Conference of 1959, to which I will come back later. It is, of course, just an elaborate way by which the Soviets say that they are not prepared to permit any expression of popular will in East Germany; that the East German Government, as it is set up--a puppet government, run by people many of whom spent the war years, the Nazi years, in Moscow--is an established fact, which the Soviets intend to maintain in power with all their resources, and that they will never permit any process to start which threatens the stability of that government.

After 1955 there again followed a period of some years of quiescence, when no specific efforts were made by the Western Powers actively to engage the Soviets in discussions over Germany. And it was in this atmosphere of relative relaxation that, in November of 1958, Mr. Khrushchev precipitated the present Berlin crisis, which has lasted up to the present day, and with which we must undoubtedly plan to grapple again within the next few months.

On 10 November 1958, he made a speech, and then on 27 November 1958, he sent the three occupying powers in Berlin an identical note, which stated at some length the Soviet position. And this Soviet position, despite the various diplomatic and other battles of the past two years and some months, has never really varied in its essentials.

The Soviet position is that the Western Powers, by violating the Potsdam agreement, have in effect terminated by their own unilateral actions the postwar settlement to which the Soviets had agreed. Therefore the occupation regime in Berlin has been terminated by the same violations on the part of the Western Powers.

Moreover, Berlin, even in terms of the postwar agreement, is integrally a part of the German Democratic Republic. The thing to do, therefore, given this situation, the Soviets go on to maintain, is to sign a peace treaty with the two German states which exist--the East German State and the West German State--or if the West German State refuses to participate in this process, then to sign a peace treaty with the East German State, the so-called German Democratic Republic.

The result of this, somewhat inconsistently with the prior claim that the Potsdam agreement violation had already terminated our rights in Berlin, the Soviets then argue, would be to terminate Western rights in Berlin. One of the consequences would be that they would turn over their control of the check points on the Autobahn, on the military rail lines, and in the facilitation of air travel to and from Berlin to the GDR authorities with whom from that point on the Western Powers would have to deal. Since the occupation had ipso facto ended by this process the Western Powers would presumably have to deal with the GDR, not with a view to maintaining their presence in Berlin, but to getting out of Berlin as gracefully as they could.

This position, which, as I say, has continued right up to the present in its essentials, is, of course, contested at every point by the West. We have put out numerous studies on this question, including a pamphlet by the State Department in January 1959 which went in great detail into the legal arguments point by point. But in brief, our position is that the Potsdam agreement had nothing to do with the establishment of the regime in Berlin; that this was based upon the agreements arrived at in the European Advisory Commission in London in 1943 and 1944.

Secondly, we claim that it is quite clear that the Berlin regime as thus established, was established completely apart from East Germany or from the so-called Soviet Zone of Occupation. We can show maps and

we can show texts which clearly establish this. Therefore it is improper to draw any conclusion from the incorrect premise that Berlin is actually on the territory of the GDR as the successor to the Soviet Zone of Occupation.

We also claim that to sign a peace treaty with a segmented Germany is meaningless; that you can only sign a peace treaty with a unified German State. You can have arrangements, if you will, such as we have with the Federal Republic and such as the Soviets have with their government in the GDR, but you cannot have a peace treaty, which is by very definition a definitive document regulating all of the outstanding issues still existing from the war.

We also claim, of course, that by virtue of the agreements which they have with us, the Soviets are not at liberty unilaterally to abandon their obligation to maintain freedom of access for the Western occupying powers to and from Berlin.

These are the legal issues as they confront each other. They have been exposed and explained and refuted and contested in numerous diplomatic notes and documents, as well as at the Geneva Conference, which took place in 1959. For 10 long, laborious weeks the foreign ministers confronted each other and repeated these arguments, literally ad nauseum, to each other. You have here two incompatible positions, which are never going to be resolved in terms of this kind of legal argument.

The Berlin crisis essentially has gone through four phases since November of 1958. You have the initial period of threat and ultimatum. You will recall that part of the Soviet note of 27 November was a six-month ultimatum. The Soviets threatened that on 27 May 1959, they would take unilateral action and do all of the things which they claimed they had a right to do unless by that time we had accepted their idea of a free city for West Berlin--not for all of Berlin, but for West Berlin. This free city was an obvious camouflage for a regime which would be impermanent and which would lead very rapidly to the absorption of the entire City of Berlin into the Soviet-dominated area.

During this period there were extensive preparations on the Western side, both in formulating a Berlin position and in formulating an all-German position. The all-German position, put forward at Geneva, was embodied in the so-called Western Peace Plan, which represents the most sophisticated version of proposals for German reunification that we have yet put forward. It was intended to be as forthcoming as possible, to accept certain of the Eastern arguments, and in effect to throw them back into their teeth.

We contemplated allowing an all-German mixed commission to establish itself and discuss the various modalities of achieving reunification for a period of some years, after which elections take place. In addition to this, there were certain European security arrangements tied in, to go on in equivalently staged progression, step by step, with the achievement of German reunification. There were also certain measures of general disarmament tied into this package. This plan was put forward at Geneva and, of course, immediately rejected by the Soviets, who put forward their old proposal for a peace treaty.

The Geneva Conference, after it had reached impasse, was followed by the direct establishment of contact between President Eisenhower and Mr. Khrushchev. Mr. Khrushchev came to this country, as you know, in September of 1959; and there took place the Camp David talks.

As a result of the Camp David talks, a tentative procedural agreement was reached between the President and Mr. Khrushchev that the Soviets would not take unilateral action in Berlin as long as negotiations were going on about the status of the city. These negotiations, it was agreed, would have to take into account the mutual interests of all of the negotiating parties--presumably the four occupying powers.

At the same time President Eisenhower agreed, although not in the actual communique but verbally, in assurances he gave to Mr. Khrushchev, that by negotiations we did not mean indefinitely prolonged negotiations, but negotiations which would terminate at some definable point of time.

We then had the long period of relative inactivity which was supposed to lead up to the summit meeting which was scheduled to take place in Paris in May of 1960. This was a period of intensive diplomatic preparation among the Western Powers, and of a gradual hardening of the atmosphere between the East and the West. If there ever was a "spirit of Camp David," which was a term the Soviets had invented, not one that we had invented, it was large dissipated as we moved into the spring of 1960. Then we had the U-2 incident, and, as you know, we had a summit meeting, which was certainly one of the strangest conferences, if you can call it a conference at all, which has ever taken place in the history of organized diplomacy.

Mr. Khrushchev, after storming out of Paris, stopped by Berlin on his way to Moscow, and at that point those of us who were in Paris didn't know what to expect. There were many who thought that it was quite conceivable that he might on his way back to Moscow sign the peace treaty

with the GDR and precipitate the confrontation over Berlin which he had threatened. Instead, he made a speech, which was surprisingly mild. He said that obviously he could no longer deal with the Eisenhower Administration, but he was prepared to wait until the new Administration came into power; but that he couldn't wait much longer.

And so we had then the period, after the breakup of the abortive summit meeting, and the takeover of power by the new American Administration, leading up to the present time.

The Soviets have given us two indications in the last couple of months of what their position will be. And, as I have indicated, this is exactly the same position that it has always been. In a speech which he made in Moscow on 6 January, Mr. Khrushchev went through the same paces and enunciated essentially the same line. And in a memorandum which on 17 February he sent to Chancellor Adenauer, in response to a letter which Adenauer had written to him some months earlier on a different subject, he set forth in great detail and at some length the standard Soviet position. Perhaps in some respects it was even stated more rigidly and with a harder undertone than in some previous statements.

Our general impression, therefore, is--and this is confirmed by the Germans who have actually received this document--that instead of any mellowing of the Soviet position, we can expect a hardening of their position on Berlin, and perhaps specific measures on their part to force the Berlin issue within the foreseeable future. That might mean a few months or it might mean some time next summer, but very probably after the German national elections, which are scheduled to take place in September of 1961.

The general feeling, of course, is that he is unwilling to blow up the Berlin issue into a major crisis at precisely this point, because he wants first to feel out the American Administration on certain other aspects where it might be conceived that we have some common interests, such as in nuclear testing, perhaps in general disarmament, perhaps also in a settlement of the situation in Laos or certain other areas of the world, where there might conceivably be some common interest in not letting the thing blow up into a major crisis.

But it does seem likely that, as we move into the spring, we are going to be faced with the same old problem of trying to grapple with the Soviet position, the Soviet claims on Berlin, which are certainly completely incompatible with our own commitments to the city and with what are conceived to be our major interests. I think there is no

question but that Berlin, for better or for worse, has become a symbol of the entire American position in Europe. If we abandon Berlin, if we accept a settlement on Berlin which in effect will be interpreted as a retreat, as a surrender, our entire position in Europe will crumble. I think it would have disastrous effects on the NATO alliance, on our ability to keep that alliance poised and ready and willing to expend sizable amounts each year on the common defense of Western Europe.

Now, there are, of course, many solutions, gimmicks some of them, which have been proposed, for the Berlin problem. In the few minutes that I still have to speak to you I will mention the one which you have been given to read about in Professor Lowenstein's article. I think Professor Lowenstein proposes that we simply acknowledge the fact that the occupation in Berlin is, as the Soviets say, obsolete; therefore we should turn over our responsibilities in Berlin to the German Federal Republic and let them station troops there and take over complete responsibility for the economic and political future of the city, and get out ourselves.

Now, this would be fine if it led to the results which Professor Lowenstein anticipates. Unfortunately, it would be highly unlikely to lead to those results. First of all, of course, the Federal Republic will have none of this proposal. This has been discussed with the Federal Republic on several occasions as a possibility, at least a theoretical possibility; and it has been rejected on each occasion. So as a matter of practicality it isn't something that we can put forward to the Soviets anyway.

As a matter of actual practice if this were to be put into effect, it would amount to an admission that the GDR has absolute control over the access routes to and from Berlin. Since there would be no longer any occupying powers, there would no longer be any rights of occupiers, and there would no longer be any rights of access to Berlin. This would mean that the situation in the city could be controlled, compressed, harassed at the will of the East German authorities.

I think the basic fallacy of this entire approach, as of any other approach which envisages establishing a new regime in the city, as opposed to continuation of the old, is the failure to recognize that West Berlin in itself is a direct object of Soviet policy, not simply as a lever which is useful to use to achieve other objectives, but because as Khrushchev himself has said, it is a cancer in the throat of the Soviets which they have to eradicate. The one fact that each year some 200,000 refugees pass out from the East to the West, mostly through West Berlin,

representing a demographic drain on the population of East Germany which it cannot afford--a country which in the past 10 years has lost almost 3 million in population, a country which is manpower-hungry, which is denuded of experts, skills in many vital areas of economic activity--this fact alone makes it impossible for the East to accept any solution to the Berlin problem over the long run which would in effect mean a continuation of the basic availability of that city as an escape valve to the West on the part of all of the discontented people of East Germany. In addition, there are many other activities in Berlin, which I won't mention, which make it unacceptable in the longrun to the Soviets and to the GDR Government.

I think these are hard facts, and they lead to the conclusion that, whatever may be the resolution of the Berlin problem, it will not be found in gimmicks of this kind. It will be found only in a persistent maintenance of our firmness on the city, and perhaps the hope that, at some point, perhaps because we have achieved other common objectives, the Soviets will be willing to relax again, accepting the drain on the population of the GDR because they feel that the risks are too great if they press us on Berlin. And perhaps we might expect a period of relative quiescence, such as perhaps we had after 1949, for a few years.

This is always going to be a thorny problem. There is no real, lasting solution to it until the entire problem of the cold war has been resolved. So I think we might realistically expect that we will have this Berlin problem with us, just as we will have with us the problem of achieving German reunification, for the future as far ahead as we can see. A realistic American foreign policy will have to take this into consideration, will have to be based on the assumption that this will be the most persistent and abiding fact of German political life as we move into the 1960's.

Thank you.

CAPTAIN SMITH: Dr. Hillenbrand is ready for your questions.

QUESTION: In the article you referred to, Dr. Lowenstein made some rather glowing remarks about East Germany and indicated that their economic rate of growth was actually higher than that of West Germany. Would you comment on the validity of that?

DR. HILLENBRAND: I have not seen the precise figures he cites, but I can say that if he said what you say he said, this is an incorrect statement.

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Of course, as you know, there's always the problem of trying to analyze the real significance of growth figures that you get from the East. This is true of the Soviet Union, and it's particularly true of the German Democratic Republic, so-called. We know their figures are padded. We know that at the end of each year they have to revise their figures downward.

Of course, as I say, these figures that are put out publicly by the GDR are not accurate figures. These are figures which are blown up for propaganda purposes and do not correspond to the actual gross national product or productivity or anything else of the economy of the East German system.

I could go on indefinitely like this, but I do think that the overt figures that are available are totally useless as a basis of comparison between the West and the East. Anyone who goes to West Berlin and then goes to East Berlin and sees the tremendous contrast between the two--I think some of you will have this opportunity shortly when you make your trip to Germany--can see purely from visual inspection that any statistics which lead you to the conclusion that the East German economy is growing faster are dealing with a myth.

QUESTION: Following the Hungarian revolt, there was a lot of talk that there was a possibility that East Germany might revolt. Do you think this is a possibility?

DR. HILLENBRAND: Well, in 1953 you had at least an incipient type of Hungarian situation, which for various reasons, mainly because the Russians moved into the picture very rapidly, never blew up into that sort of thing.

I think the general feeling is that, while given certain conditions there, which are hardly likely to exist, you have a real potential in East Germany for revolt, the regime is now so well established and its police methods are so well established--the presence of 11 Soviet divisions is an ever-present reminder to the East Germans that revolt would be rather useless--that revolt is unlikely. As long as you have a continuation of this type of regime, police state and all the rest, with no intrusion from the outside, I would say a Hungarian type of uprising should not be expected, if it is not completely out of the question.

That doesn't mean that, if you had a different kind of situation, a situation of war, a situation of disintegration of the bloc, which I suppose

you can imagine even if you don't think it likely, that the armed forces of the East German state themselves would not show that they are highly unreliable. I think our general feeling is--and we know this, of course, from the high rate of refugee flow which comes from the East German police system, and from the East German Volksarmee and so on, that the reliability of these forces is certainly questionable. But as long as the police state exists and operates with a reasonable degree of efficiency, revolt is highly unlikely.

Now, it is true that the demographic situation about which I spoke, the fact that you have a real manpower shortage in many vital areas of activity, to the point where, for example, the East Germans are now forced to import doctors from Bulgaria, because so many of their own German-trained doctors have fled to the West--this kind of situation leads to a general loosening up of the system. It's coming apart at the joints. And if the manpower drain continues indefinitely, it's hard to see how this thing can remain viable without being shored up from the outside. But this is a different kind of process and a much slower one.

QUESTION: The statement has often been made that in this cold war situation the Soviets act and we react. We've got a situation building up now where it appears the Soviets are going to act in the sense that they may cause further difficulties insofar as access to Berlin is concerned. Do you see anything in our policy or in our moves that indicates that we are going more on the aggressive?

DR. HILLENBRAND: The unfortunate thing about the Berlin situation is that we are physically at such a disadvantage there because of the facts of geography that it's very hard to take the offensive except in a propaganda sense. We are sitting in Berlin and perhaps, while there are many unsatisfactory things about our position there, we can live with the status quo, as we have lived with it for the past 15 years. The change, if it comes, will be imposed from the outside due to Soviet pressure.

Therefore, what you really have in Berlin is a situation that isn't ripe for Western initiative, for our taking the offensive; and therefore we almost perforce are in a position where we can only react. Actually I think our reactions have been fairly successful, because one of the things about Berlin, you mustn't forget, is that, despite the continuous state of crisis since November of 1958 and the periodic crises before that time, the economy of the city continues to grow and to prosper, and that West Berlin is much better off today than it was in November 1958.

The economy is better off. The people have a higher income, real income, as well as monetary income; and, generally speaking, the city has continued to prosper and to grow.

So unless we can translate the Berlin problem into a larger context, where we have better opportunities for taking the initiative, such as, say, the all-German context, where we can put the Soviets on the defensive to the extent that we can maintain emphasis on the reunification theme--unless we can do this, the potentialities for taking the offensive in Berlin proper are rather limited.

QUESTION: From some of the things that you said I gained the impression that we are preparing for some kind of unilateral U.S. action in Germany. Is that right?

DR. HILLENBRAND: Well, I didn't mean to give the impression that we would be engaged in unilateral U.S. action, although the action taken would be less broad than that of NATO as an organization. There are three occupying powers in Berlin, and all of our contingency planning, so-called, has been tripartite, and to a certain extent quadripartite, including the Federal Republic.

Obviously, realistically considered--and everyone will admit this--the main initiative in this whole process, the main strength, just as the main deterrent, is that of the United States. If the United States collapses on the Berlin issue, then everyone else will collapse with it, and the city will be lost. In that sense our unilateral maintenance of strength and firmness and determination is all important. But all our plans are tripartite.

Now, of course, NATO gets into the act because, obviously, if you move toward the situation where war threatens in Europe, then General Norstad, as both SACEUR and as also the Commander of the American forces in Europe, depending on which hat he happens to be wearing, has to make certain decisions which will involve the entire NATO organization.

It's a very complicated matter. It's a problem that NATO itself hasn't solved. It's a problem that comes up in the recent context of whether NATO is going to get an independent nuclear deterrent in the form of its own MRBM force. And this is a problem that I won't try to go into now.

So what you say is not correct. The basic underlying reality however, is still what the United States does in this situation, because we are the ones with the power.

QUESTION: We have had a series of meetings in Germany and Central Europe and in all of them they seemed to be trying to create a neutral united Germany to survive German reunification. I wonder if you would comment on what the U.S. views are on that.

DR. HILLENBRAND: Well, the traditional U.S. view on plans of disengagement of this kind leading to a unified neutralized Germany has been that, first of all, a neutralized Germany is probably a very unstable kind of Germany; that Germany is too great a country, too essentially strong, to ever be neutral in the sense that a small country like Switzerland or Austria can be neutral. She plays too decisive a role. And if she builds up her military strength, as she inevitably would as a neutral in order to enforce her neutrality, the very existence of that strength would provide a factor which would make observance of neutrality in the traditional sense of a small neutral state practically impossible.

However, the United States and the other Western Powers in their peace plan, which was put forward at Geneva, and in their other proposals, put forward at Geneva in 1955, are willing to allow a unified Germany to opt for neutrality if it wishes. That has been a traditional part of our policy. We have said that when Germany is reunited, if she wants to join NATO, she may. If she wants to join the Warsaw Pact, she may. Or if she wants to remain neutral, outside of all entangling alliances, she may. And this is traditional doctrine in our planning.

Of course the Soviets know very well--and this, of course, is presumably one of the reasons why they have refused to even discuss this approach to unification--that a reunited Germany will very likely feel that her ties to the West are so close and so strong that she will not wish to be neutral, but will wish to be bound into the Western alliance.

I might also add that, over the years, we have come to appreciate more and more, I think, that schemes of this kind, despite the fact that they can be worked out to a point of great ingenuity, and despite the fact that they might appeal to many people in the West who think that disengagement of this sort is the solution to the Central European problem, are really not an acceptable solution to the Soviets.

The Soviets, for whatever reason--maybe this is partly a factor of national psychology--feel unwilling to contemplate any solution to the

situation which in effect involves their giving up land which they now in effect control. In other words, even if we were willing to admit that Germany would be compulsorily neutral after reunification, we have no evidence that the Soviets would be willing in effect to give up their control over the GDR in order to achieve that kind of a settlement.

Now, there's another factor too, which I think even someone like George Kennan has admitted, who, as you know, some years ago espoused very eloquently a proposal for disengagement in Central Europe-- even he has admitted that, with the developing weapon technologies that are moving ahead very rapidly and with different strategic assessments in Europe and NATO and so on, while disengagement of this kind might have been a feasible solution six years ago, it probably has less relevance year by year as we move into this new period.

QUESTION: Doctor, you stated that you were not seriously concerned with the void that will come if and when Chancellor Adenauer passes from the scene. Would you indicate where the German leadership may go if he leaves?

DR. HILLENBRAND: I'm glad you asked that question, because I forgot to come back, as I had promised I would, to this point.

As I indicated, the German political system is a viable, well-running system, which has within itself the capacity to meet the problem of succession, which is a basic problem of government.

Obviously, when Adenauer leaves, he will be missed, because he has left his stamp of both personality and of operating method on the government. On the other hand, it seems likely that the succession would be orderly and would be fought out within normal constitutional bounds.

The most likely actual occurrence--there are two possibilities-- that he dies or gets so sick that he can't actively engage in the campaign and then is out of office prior to the elections of September 1961, or the other more likely possibility that he fights the campaign successfully. His party, probably in coalition with the FDP, then would form a government after the elections of 1961; and in due course, perhaps in a year or two, he would retire and hand over the mantle of the chancellorship to a designated successor.

It seems likely that in either instance, whether there is a designated successor or a successor on an emergency basis to replace a

defunct chancellor, in either case, for at least a transitional period, the most likely prospect would be the present Vice Chancellor, Ludwig Erhardt.

Everyone concedes that he is not a man of the stature of Adenauer. He's a man of much narrower vision, much more parochial interests, and much less basic intelligence. But he's a man who has a great deal of popular appeal and a man who is identified with the German economic reconstruction of the postwar period. And he's a man with a great deal of voter appeal, and an effective campaigner.

The general feeling is that under either of these two sets of circumstances Erhardt would become chancellor for a period of, say, two years or so; at the end of which you would then move toward the coming into power of one of several people who would contest for the chancellorship for a longer term. The leading contender at this point is believed to be Strauss, the Minister of Defense; but he would be run a close race by the Minister of the Interior, Schraeder. That's on the side of the CDU.

The general feeling is that, despite the vigorous, dynamic, youthful leadership that Willy Brandt is giving to the SPD, the Socialist Party, it is unlikely that they will win enough new votes in the 1961 election to be able to form a government. Certainly his party won't get a majority, and even if it gets 40 percent of the vote, which is a fairly optimistic prognosis, while this will be a morale-stimulating gain in strength, it would not suffice to enable it to form a government in coalition with, say, the FDP, or any other minority party that may survive the 5 percent clause.

Now, the SPD leaders, with whom we have talked in recent weeks, recognize this realistically. Obviously, for purposes of campaign propaganda they can't admit this publicly. But they don't expect to be in the government in 1961.

Some of them, more optimistic than others, believe that with Adenauer's passage from the scene, say, in 1963, they might be able to form what they call a Great Coalition, a "Grosse Coalition," on the Austrian model, which would mean that the two major parties, the SPD and the CDU, would come together to form--you can't call it an emergency government in the absence of an emergency, but a sort of emergency government, which would practically control all of the votes in the Bundestag except those of the minor parties.

Personally, I think this is an unlikely development, but I know that some SPD leaders are counting on something of this sort, or at least on some breakup of the CDU which would enable the SPD to coalesce together with the left wing of the CDU.

But none of these eventualities really seem to promise the kind of crisis within the system which would really test the fundamentals of the German constitution.

QUESTION: Turning again, Doctor, to German unification, if we stop and consider the possible effects of this as the voting might be, notably that out of unification would come a much stronger Germany, a Germany more independent, with much more freedom of action, and that we would for one thing lose at least some of our influence over Germany, and, above all, that the rising strength of Germany would perhaps arouse some of the inherent fears of Western Europe of the progress made, one might reach the conclusion that German unity might be very much to our disadvantage. Do you subscribe to this conclusion, sir? And, if not, will you discuss the subject?

DR. HILLENBRAND: I would say that if all of the worst possibilities were to take place, then obviously German reunification would be to our disadvantage. I think none of these possibilities which you have indicated is necessary.

On the other hand, there's no doubt that a unified Germany at some point would become more independent in the policies that it would espouse. And it is precisely for this reason that efforts are being made, and have been made for the past 10 years, to achieve a degree of integration of the Federal Republic's economy and its political institutions into those of Western Europe, so that you would have an entirely new kind of situation, one which has literally been unparalleled in history, where a country is so intimately bound together with its neighbors that its capacity for the kind of adventuresome foreign policy which characterized the previous German unified state would not exist any longer, or at least would be so diminished that it wouldn't be of great importance.

Now, I think there's another factor as well, and that is that, assuming you were to have a unified Germany, that unified Germany, on the basis of present developmental trends and so on, would be so far behind in its possession of nuclear weapons, as well as capacity for the production of certain kinds of weapons, that its freedom, despite its power in more conventional forms, its freedom to engage in adventuresome

foreign policy, assuming that it wished to do so, would be strictly limited for a very long period of time, until it literally caught up.

However, I think there is obviously a risk in any process of this kind. I think it's a risk that we have no choice but to run, although in practice the chances of achieving reunification within the foreseeable future are so slim that these risks are theoretical, and therefore can only be discussed in a theoretical sense. As I have indicated, the chances of the Soviets giving up their physical control over their satellite in East Germany within the next 10 years or so, barring some completely unforeseeable developments in the world, are so slim that I think this is going to continue to be essentially a theoretical discussion.

QUESTION: I'd like to explore another aspect of that same problem. This came up in that same article by Lowenstein, which he suggests that a great portion of the West German population is not really in favor of German reunification. I wonder if you would comment on that.

DR. HILLENBRAND: Well, I think that this is a rather large-scale underestimation of the potency of reunification as a symbol in German political life. As I tried to indicate, no political party could operate successfully in Germany today if it suddenly overtly lost interest in reunification as a goal of policy. In other words, the German voters still can be influenced by this issue.

Now, it is true that in a booming consumer society, which is what we have in Western Germany, people don't wake up every morning and think of reunification before they think of anything else. This is like any other national goal of this kind. It very often operates only at the subconscious level. But it can be evoked, because it is for the Germans today perhaps the most single potent political symbol. And it plays an important role. And I think that any active German politician today who is interested in the process of getting into power and holding power will concede this; and that is why you don't see any German politicians making the kind of statement which you have just made in assessment of the situation.

Now, as far as the businessman is concerned, there have been all sorts of analyses made of the effect on the West German economy of the absorption or the assimilation into it of East Germany. The analysis that you cited is one of about 20 different kinds, many of which lead to completely different conclusions. Many of them would hark back to the fact that the economy of East Germany is really not competitive with that of West Germany but complementary to it, and therefore is bound to add to the net strength of the reunited country.

I would say that none of these analyses is necessarily conclusive, but that it's certainly questionable whether an economy with the growth potential and with the tremendous capacity of that of West Germany today would really be materially affected in a negative sense by absorption of East Germany into it, an economy which is really operating at a much lower level of almost any type of activity you might want to cite.

As far as the political aspect of the question is concerned, I think to describe the CDU as it has developed, not in terms of its origin but as it has developed over the years in postwar Germany, and as it is now constituted in 1961, as distinctively a Catholic party is really no longer consonant with the fact. This has been one of the surprising developments in postwar Germany. Not only has there been a token concession to the Protestant element in the party by having a certain number of jobs both in the party hierarchy and within the Government automatically allocated to Protestants rather than Catholics, but the fact is that the CDU has been able to build up mass party support within the distinctively Protestant areas of Germany. Some of the most pronounced votes in favor of the CDU and some of the most vigorous new leadership you find developing in areas of Germany where there are practically no Catholics at all. In fact, some of the people who are being discussed, not as the next chancellor or maybe even the next chancellor after that, but as future chancellor timber, such as Von Hassell, from Schleswig Holstein, are not only Protestants, but their entire constituency is Protestant. Van Hassell has built up a political organization of the CDU in this land which is certainly the strongest in the land itself and can be counted on to bring a heavy vote to the CDU in the 1961 election.

It's pretty hard, of course, to know what the complexion of the voting in East Germany would be after reunification, and how much of it would automatically revert back to the traditional SPD prewar voting pattern, pre-Nazi voting pattern. The population has been so unsettled. So much of the population of East Germany doesn't represent the old traditional population, but population that moved in, say, from the Polish-occupied territory, the Oder-Neissey territory, from Catholic Silesia, etc., that it's pretty hard to come to any really firm conclusions.

But certainly I don't think it is true, and I think I can speak from personal knowledge here, of many CDU politicians, that this factor really affects their thinking on the reunification issue in the slightest. I know it doesn't affect Chancellor Adenauer's thinking; nor do I know of any leading CDU politician, whether Catholic or Protestant, who really is affected by this consideration.

There are a lot of other considerations, and I think one which might be cited is that there still is a traditional distrust of what might be called Prussianism which lingers on in certain areas of Germany--Bavaria and the Rhineland and so on--and perhaps while they don't translate this into active opposition to reunification, it perhaps somewhat tempers their enthusiasm for its achievement. But even this is not a very important factor. I think this is one of those historical forces in German life which is losing its real drive and energy at this stage.

So I think the generalizations of Lowenstein on this point are somewhat overstated and really don't bear much on the realities of German political life today.

CAPTAIN SMITH: Dr. Hillenbrand, thank you very much for coming down here today and giving us this very fine presentation on "Germany Today."

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