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PSYCHOLOGICAL STRATEGY BOARD
Washington 25, D. C.

January 15, 1953

MEMORANDUM FOR THE RECORD

From: J. M. Anspacher [EO 13526 3.3(b)(1)>25Yrs

To: Mr. Taylor
Mr. Hirsch - Participant
Mr. Norberg - Participant
Mr. Cox - Participant

Subject: Conversations with Henry Kellerman

(NOTE: Mr. Kellerman, Public Affairs Officer for the Bureau of German Affairs, Department of State, returned from an extended visit to Germany on official business at the close of 1952.

1. Reporting upon progress made in the coordination of PSB D-21, Kellerman confirmed earlier reports from the field that a special coordinating committee has been created in Bonn to plan for the implementation of the national strategy contained in this document. The chairman of this committee is Mr. Boerner, PAO for HICOG, and it includes representatives of CIA, MSA, and HICOG's Political Affairs Division, as well as Colonel Paul C. Davis, from the Joint Planning Staff at CINCEUR. The general reaction among the members of this committee to date has been that the actions proposed in the Plan are of extreme validity, but are also, for the moment, not feasible. The reason appears to be lack of personnel and lack of funds for such operations. Kellerman pointed out that Mr. Boerner is now holding down at least four jobs in addition to his own.* With respect to the financial capabilities for implementing this Plan, Kellerman said that a special fund of 8 million D-Marks have been allotted to this committee for "special projects." Although the High Commissioner, Donnelly (contrary to NSC and PSB documentary authority) put a "full stop" on psychological pressures in Germany favoring ratification of EDC (thus causing Kellerman's embarrassment when, in a speech to an all-German audience, he made a point of American interest in such ratification in the interest of the "American tradition of federation and internationalism." Kellerman's most striking impression from his experiences in Germany was that U.S. pressure in this direction is more urgent today than it has ever been. If this pressure is not forthcoming according to Germans to whom Kellerman talked, some alternative solution for Germany's present power-dilemma must be found.

* In this connection, a high-ranking member of the Adenauer Government who was heretofore in constant close liaison with American Public and Political Affairs Officers remarked to Mr. Kellerman that he regrets exceedingly that he no longer has now "an opposite number" in the American Staff at HICOG.



2. Western-oriented Germans have expressed themselves as looking forward to some kind of U.S.-U.K.-German alliance, if anything should happen to the EDC. This, combined with a German national army, would be the expressed desire even of the SPD. The SPD (Ollenhauer) admitted that it felt some concern about the internal structure of Germany, especially where neo-Nazism is concerned. But if a full-scale Western alliance such as EDC falls through they would take that risk to urge a three-way compact. Kellerman was warned at a private conference with 20 members of the German opinion elite that if the U.S. were to pull out entirely, Germany would have little alternative but to turn toward the East, thus giving the neo-Nazis an opportunity for exploitation.

In sum, Kellerman reported that the U.S. position in Germany is extremely strong today both in Government and public circles. There is no question about SPD "neutralism" at this point; Ollenhauer said that his party is anxious to ally itself with the U.S. and, although he expects victory in the next election, he sees a coalition as a likely possibility and is anxious that the SPD appear as reasonable as possible to the mass of German public opinion.*

3. Defection: Kellerman reported that the refugee problem in Berlin is "frightful." To complicate matters, the Germans who are conducting the asylum-program under Phase A strategy are interpreting the definition of "defector" very tightly; in their eyes, a defector, to be awarded anything more than basic subsistence at a very low level, must prove that he is wholly a political persecutee. The Germans claim they do not have the facilities to grant asylum to refugees who cannot prove this. The quota system in the "leander" has broken down, Kellerman said, so that today there are more than 50,000 refugees stranded in Berlin. Partially as a by-product of this situation, Mayor Ernst Reuter of Berlin told Kellerman that he needs an additional 2 billion D-Marks--an increase of 100 percent--in commercial orders for Berlin to maintain the economic standards in that city. However, Reuter said that the political situation in Berlin will probably remain static for some time; he sees no possibility of major crises arising in the near future.

4. Trade: The Germans with whom Kellerman spoke favored non-strategic East-West trade to the utmost, for political and ideological reasons. Their argument is that other nations in Western Europe, particularly Great Britain, do it and Germany must also to keep as favorable a balance of trade as possible in the face of heavy competition for Western markets

* In this connection, [redacted] the SPD believes that the German national army idea would find support in America; the party believes it can oppose EDC without endangering West Berlin security, because Washington has "written off" the European army as militarily unfeasible.

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which they claim they cannot meet. Reuter says this argument is somewhat specious; he claims that a great many West German industrialists have been living on the fat of the land for the past few years and that their prices can be lowered to make this competition possible. However, Kellerman said he felt that there is a strong tradition among West German commercial circles to compete with the USSR for economic strength in Eastern Europe. Since this urge is inbred in the Germans from long experience, it must be reckoned with in any discussion of East-West trade policies with respect to Western Germany.

P: J.M. Anspacher: fbd

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