

The GDR – as seen by the Federal German Foreign Intelligence Agency (BND) 1985-1990

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Preface

*The Soviet Union and Soviet dominated East Europe – in the eyes of the former President of
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The GDR – an Assessment of the BND

Summery

Preface

The GDR – the German Democratic Republic – is no longer. Everything related to it makes part of history. There is no need to take into consideration ongoing political processes when addressing the question how the BND – the Federal German Foreign Intelligence Agency – viewed the other state in Germany in existence from 1949 until 1990.

This essay is based on an unpublished 200 pages summery written down after the termination of the function as President of Bundesnachrichtendienst in October 1990. This overview was undertaken without access to the files of the Agencies, but based on personal memory and on articles published and lectures held during the time in office (1985-1990). These lectures and essays are part of my personal files.

Following suit an example set by the US Intelligence Agency (CIA) the Federal German Foreign Intelligence Agency intends to transfer part of their files to the Federal Archives and thus open it to scientific research – as was stated by the Vice President of the Organization on the occasion of a public conference on “Secret Intelligence Organizations and Parliamentary Control” in Berlin in March 2004.

On the occasion of its fifty years anniversary, the CIA research institute published with the assistance of qualified scientists a series of Evaluation reports on the Soviet Union during the time span from 1947 until 1991 and on the war of Secret Intelligence organizations in Berlin 1945-1950. There are also British publications on secret intelligence operations against the Soviet Union (Paul Maddrell, Einfallstor in die Sowjetunion”, Vierteljahrhefte für Zeitgeschichte April 2003). With its “Journal of Intelligence History” the “International Association History of Intelligence” offers a platform for pertinent publications.

I. The Soviet Union and Soviet dominated East Europe as seen by the new BND President in 1985

Before taking control of the BND in October 1985, that means six months after the accession of Michael Gorbachev to the top position in the Soviet Union – “Secretary General of the Communist Party of the Soviet Union” - the author of this essay served as Ambassador of the Federal Republic of Germany to the Soviet Union (1977-1980) and as German Permanent Representative to the North Atlantic Council (NATO) in Brussels (1980-1985). Also, worked several years with the political department of the German Embassy in Washington (1960-1965) and several years as the Director of Politico-Military Planning in the German Ministry of Defense (1970-1974). This experience has contributed to his strategic assessment of the international situation.

In essence this were the views held by the author when taking over the BND in October 1985:

1. The Soviet Union – a totalitarian monolithic system - had reached a stage of stagnation: a thriving organization had turned into a process of growing petrification or severe sclerosis. At the same time you witnessed a strengthening of centrifugal forces such as a growing regional nationalism within the Soviet Union (Carrere d’Encausse “L’Empire ecrasé”, 1979) and the loss of ideological control in Eastern Central Europe, however still kept under Soviet hegemony. As witnessed in 1979/1980, Poland challenged Soviet hegemonic supremacy and the Breshnev doctrine of intervention in case of ideological or strategic deviation in Eastern Central Europe.
2. On top of it the observer noted a growing discrepancy between the goals set for ideological and economic reasons and the cruel reality of inefficiency – visible in particular in the corrosion of the infrastructure. At the time, the Soviet Union consisted of a disillusioned, cynic public resigned to the hazards of daily life and a leadership that administered the existent body of the population for better or worse and lived in a virtual world.

In the final paragraphs of my lecture on my years as Ambassador to Moscow held at the Gesellschaft für Auswärtige Politik in Bonn in November 1980, I expressed the view that the Soviet leadership might conclude one day that Soviet security and economic interests would be better served with a Germany modelled after the existing Federal Republic of Germany than by way of a continued Soviet domination over Eastern Central Europe. The text as published reads as follows:

The development of the relations between Germany and the Soviet Union could serve as a textbook for the relations of the Soviet Union with the West during and after the revolution up to present times. You realize time and again that students of Foreign Policy institutes worked through these textbooks time and again. In light of the experience gathered under the impact of the Soviet reality- its leadership and its citizens continue the reality of a German nation and they conceive this nation – in spite of the tragic human and political experience under Hitler-Germany – as an important member of highly developed nations destined to contribute further to the development of the civilization of mankind. German continues to be an important foreign tongue taught and spoken in the Soviet Union. 40 percent of those who speak a foreign language speak German. About 12 million Soviet citizens speak German as a foreign language. About 40 percent –with a growing tendency learn English.

The strategic division of Germany after the Second World War is conceived as the result of the cold war driven by ideological and strategic forces that cannot be altered at this time. The shaping of Germany’s future under changed strategic and ideological framework conditions

is a matter for the future. Changes are dependent on changes in the strategic and ideological order of battle

That is what was said at the time – it turned out to be correct, didn't it?

Now the question was in the air: Were there signs, and if so at what time – for changes in the strategic and ideological thinking of the Soviet Union or on the international stage, which allowed the unity of Germany to turn from a goal or perception into a reality without affecting Soviet Security interests or made it to happen as a result of other developments?

I followed developments in Europe and of the East-West-relationship closely. In 1984, that means after Poland had turned its back to the Soviet model during the winter of 1979/80, and during the fourth year of my tour of office as Permanent Representative at the North Atlantic Council (NATO) I published an article in the Monthly edited by the NATO Secretariat stating that the Soviet Union had reached far reaching conclusions regarding their strategic interests in Europe and regarding an adjustment of the situation in Europe. According to this article the Soviet Union had concluded that the current system of Soviet domination in Eastern Central Europe by way of military and political dominance had failed and was bound to collapse one way or the other. A re-orientation of Soviet policy regarding the West in general and Europe in particular was overdue.

This is the pertinent quotation from the article:

Conduct of war, a policy of threats or undermining in order to bring about the solution of existing problems or tensions have ceased to be promising tools for conflict resolution – because of the risks involved.

Negotiations have to replace the other risk bearing forms of conflict resolution. They bear a chance of success if they are conducted on the basis of a sober assessment of the situation and avoid unrealistic perspective. In such a way the cause of peace, avoidance of war by accident and irrational decisions can be prevented.

On this basis, it could be argued that legitimate security interests of the Soviet Union can better be safeguarded in the long run more effectively by East-West arrangements than by the forceful maintenance of a military, ideological and military hegemony in Eastern Central Europe.

The concept and practice of hegemony in East Central Europe failed, as the history of the 40 year old history after World War II had shown convincingly. With this new insight a perspective for a constructive settlement of the issues in Europe could be initiated.¹

Vjacheslav Dashichev, a Soviet researcher on German affairs (Moscow Institute for Global Economic Questions) well received during in Germany in the eighties and known at the time for his non-conventional views holds the opinion that Gorbachev abandoned the Breshnev doctrine already midsummer 1985 when he proclaimed the doctrine of non-intervention.²

You had to interpret this development as a readiness to accept the withdrawal of the Soviet dominated countries from this control at a time when there were not yet new East-West

¹ Wieck, Hans-Georg, „Die Sowjetunion und die Zukunft der Ost-West-Beziehungen“, NATO-Brief, April 1984, Brüssel, NATO-Sekretariat

² Vyacheslav Dashichev, Griff nach der Weltmacht, page 178/79, MITTLER-Verlag; Hamburg

agreements in sight. With the acceptance of Eastern Central Europe's withdrawal from Soviet control and with the withdrawal of Soviet forces from a non-win-able war of intervention in Afghanistan Gorbachev intended to convey signals to the West: we are ready to seek and establish a new understanding with the West!

The political and military centre of NATO (Brussels) was the only place where secret intelligence reports and analyses constituted the decisive input into the assessment of the Soviet Union, the Warsaw Pact structures and countries as well as the economic and social as well as political developments. The ongoing corrosion of the transport infrastructure in the Soviet Union including gas- and oil pipe lines, excessive exploitation of oil wells, rising defence and military armaments expenditures as a growing burden to the national economy (25 percent of GNP) were well known – on the basis of these reports. The Soviet Union had difficulties to keep the path of Western technological innovation; the planning cycles turned dynamic developments into bureaucratic obstacles.

I recall an argument among experts whether the Soviet Union would face in the mid-nineties an insurmountable conflict between military requirements and the need to meet consumption expectations of the population.

The negative assessment of the resources available to the Soviet bloc countries was in contrast to the assessments of these potentials by OECD (Organisation for Economic Development, Paris), the UN European Economic Commission, but also the Federal Republic of Germany with respect to the GDR, since the Federal Government based their annual report on the situation in Germany on the statistical data of the GDR and no any longer on Intelligence-reports. Today it is well know and no longer disputed³ that GDR-Statistics had been manipulated.

II. The Soviet Union and the GDR in the eighties- as seen by the BND

The Federal German Foreign Intelligence Service centred its interest on two aspects:

- The role of the country within the Soviet system and in the context of the East West confrontation that mans its dependence on the development of the Soviet Union's policies.
- The developments within the GDR as well as the manifold intra-German activities with relevance for the political decisions of the two sides –GDR and Federal Republic of Germany, such as
 - Developments within the GDR leadership;
 - Role of the Internal Security Structures
 - Supply situation for the population and the economy
 - Mood of the population and intra-German contacts of an official, civil society and professional character, among others on refugees, visitors, dissidents, churches, SED cadres, negotiations, exchange of spies and prisoners
 - International position of the GDR within the Soviet system, on the international stage, in connections with East-West-negotiations (on

³ von der Lippe, Peter, „Die amtliche Statistik der DDR als Instrument der Agitation und Propaganda der DDR“, und „Die politische Rolle der amtlichen Statistik in der ehemaligen DDR“ in „Jahrbuch für Nationalökonomie und Statistik“, 1996

missiles, on mutually balanced force reduction and “Conference on Security and Cooperation in Europe”

There were two conflicting political strategies within the Federal Republic of Germany with regard to the assessment of the developments within the GDR and with regard to the policies to be adopted by the Federal Governments in dealing with the GDR – with some grey areas in between. On the one hand, there were the promoters of the doctrine “Change of Systems by Rapprochement – on the basis of the existing two German States”. This concept mostly supported by the Social Democratic Party in the Federal Republic of Germany was willing to accept the division of Germany for quite some time – for historical reasons, because of the strategic confrontation and in the interest of improvements for the situation of GDR citizens within the GDR. Not only a few among the Social Democratic Party were ready to accept a separate GDR citizenship as well as to work out a joint SPD-SED set of common goals. In fact, high representatives of the two political parties negotiated on such a program. Edward Shevardnadze, the Soviet Foreign Minister during the Gorbachev years note a sharp difference between the two political mainstreams in Germany: However, he made one exception – he considered Willy Brandt as an ardent defender of German unity. Markus Wolf, who considered the posting of Guillaume as a spy agent in the immediate environment of Willy Brandt as his greatest political blunder tried –on behalf of his political masters – to bring about the recognition in terms of international law of the GDR as a second state in Germany by the Federal Republic of Germany – in order to reduce or to disguise the overwhelming and all too apparent dependence of the GDR from its Soviet masters.

In contrast, the Christian and the Free Democrats (CDU/CSU and FDP) tried to keep the German issue as an undecided question on the international agenda – until such times that the population within the GDR could freely decide about their political future. Until such times, the Federal Republic of Germany was to pursue a policy that seeks improvements of the living standard and the freedom of travel for the population of the GDR without compromising the position of denial of any status of international laws for the GDR. These political parties rejected any improvement for the international status of the GDR, however also any dramatization of the internal situation within the GDR, in order to avoid putting the German issue on to the international agenda at the wrong time. Free Democrats in particular emphasized the need for an eventual decision by the GDR population on the issue of unification.

The deterioration of the economic situation in the GDR, which become transparent also on the occasion of the granting of a stand-by credit of one billion German Mark (DM) as a means to help improving the credit standing of the GDR with the Bank of International Balancing, Basle, was well understood but not presented in a large way to the general public.

The delicate economic situation of the GDR played also an important role in the relations of the GDR with the Soviet Union. The GDR failed to deliver goods agreed upon and failed to balance the negative payment sheet time and again. The prices were made in order to meet Soviet requirements, so that – eventually – the GDR derived from this relation only one major advantage- crude oil that could be used for the production of oil based products for the hard currency markets such as the FRG and other EU member states. The GDR accepted the higher environmental cost of burning soft coal for transport, industry and household needs.

There were available to the BND outstanding analyses of the macro- and the micro-economic situation and their dynamics into the future – presented by GDR researchers, professors, and company directors.

In the end, also the BND reports on the positions, mood and hopes of the GDR population, as presented by the Agency on opinion polls among the various sectors of the GDR population were in the end accepted by the political elites in the Federal Republic and the Western Allies in Washington, London, Paris and elsewhere. The opinion polls were taken clandestinely among GDR travellers in the West or in other Soviet countries, for instance on the beaches of Lake Barathon/Hungary or at the sea resorts on the Black sea, but also among cadres of the party and state system travelling to other places. Refugees were interviewed, and results of postal control used.

The project was initiated in the fall of 1985, after realizing that most of the GDR assessment Team had already been affected by the viewpoint and prevailing political opinion in Bonn according to which separate statehood awareness had already emerged in the GDR among the population, and that a change of the situation “to the better” could – if at all – only be achieved through an rapprochement of the two systems . There was no “niche” for the emergence of a “Unity” movement within the two states in Germany. It is not surprising that – on the occasion of the demonstrations in Leipzig and Dresden in October 1989 with the slogans of “Wir sind das Volk!” put forward by the population – Bonn representatives put the question to the BND: “Are there any agitators of the right-wing political party NPD from West Germany at work?”

The Permanent Mission of the Federal Republic of Germany in Berlin-East, concentrating its work on the furtherance of improvements of the living conditions of the population had noted –like the BND – the tendencies among dissidents of the GDR to seek the development of a socialist system with a human face. Also the local and regional SED managers urged the centre to engage in reforms because of the pressure from the grass roots. However, the mass movement pushed this line of thought aside.

In the judgement of the BND the role of Gorbachev for the furtherance and acceptance of unification can hardly be overrated. His design of the new Foreign Policy of the Soviet Union included the abolition of nuclear weapons, the reduction of conventional superiority of the Soviet Union in Europe, the establishment of contractual relations between East and West on that basis and of course the abandoning of the Breshnev intervention doctrine. The implementation of changes of this far reaching policy adjustment could be jeopardized at any given moment by the use of force by either side. His policy had suffered setback on the occasion of use of force between Azerbaijan and Armenia because of Nagorny Karabach and in Tblissi where Soviet forces use of forces to cope with a nationalistic demonstration. He was to suffer setbacks internally and externally on the occasion of the use of force in Lithuania in January 1991.

For that reason Moscow commented on the tense situation on the Hungarian-Austrian frontier, where thousands of East Germans tried to leave the territory of the Soviet block countries: The Soviet Union does not interfere in this matter.

It was Gorbachev who encouraged the SED leadership to enter the path of Reforms. He was enthusiastically received by the population of the GDR on the occasion of his visit to the GDR in October 1989 to celebrate the 40th anniversary of the GDR.

Within the Federal Government, in particular among the staff members of the Permanent West German mission in Berlin-East and within the department of the Chancellor’s office in charge of relations with the GDR the opinion prevailed that- in the end – a separate statehood had developed in the mindset of the GDR population, a viewpoint re-enforced by the

prevailing thinking of the GDR leadership that in the end the Gorbachev line would be replaced by a more conservative line of thinking in Moscow, which would not accept the loss of the strategic glacis in Eastern Central Europe.

The BND reporting on the GDR was received in Bonn with a great deal of scepticism. The reporting was never very much up to date on negotiations between the two German sides, because the BND was excluded from following these talks closely. This demonstrated the lack of confidence of the Bonn establishment towards BND.

There were areas of gross differences, such as the figures on people in the GDR who tried to obtain official permission of transfer to the Federal Republic of Germany. According to reports received by the BND from sources within the SED system the number had risen to 500.000 applications or 1,5 million people, while the representative of the protestant Churches – Stolpe – the later Prime Minister of the Federal State of Brandenburg – reported a figure of 50.000 individual applications only. During the final phase of the regime it liberated its rigid rules of permanent transfer from the GDR to West Germany. It provided living quarters to trustworthy citizens – a last ditch defensive line.

During my work with the BND I considered it most important to find credible and reliable answers to the question of the goals that Gorbachev pursued. On several occasions I dealt with this issue publicly in lectures during my stay in office 1985-1990. The themes mostly dealt with were “Transition in the Soviet Union” or “Chances and Risks of the Gorbachev Reform Policy”.

III. The Development of the Gorbachev Reform Policy with regard to Germany

In connection with the election of Michael Gorbachev as the Secretary General of the Communist Party of the Soviet Union in May 1985 it was expected that Gorbachev would concentrate his reforms on the internal developments of the Soviet Union notably in the administrative and economic fields. However, the replacement of hard liner Foreign Minister A. Gromyko by Edward Shevardnadze in mid-summer 1985 it became apparent that international affairs, the international standing of the Soviet Union would move into the centre of the reform policies:

Overcoming the stagnation that dominated the development of the country during the chairmanship of Leonid Brezhnev and – with the short period of Andropov’s rule – under Chernienko – was the prime motivator for the reform efforts of Gorbachev and his assistants – up to a degree also of the Deputy Chairman Ligachev.

The BND handled the reform process and the reform of the Soviet leadership and corresponding efforts within some of the satellite countries with caution. Would reforms be feasible at all, and if so, would there not be counter-veiling forces. Uncontested had been the understanding that for years if not decades the modernization of Soviet Military Forces constituted the priority number one among the most urgent tasks of the Communist Party and the state structures. This prioritisation prevailed even at a time in which countries like Hungary and Poland softened their ideological ties with Moscow.

The revision of Soviet military and strategic thinking became urgent and not inescapable after Gorbachev revised the world view held hitherto by the Soviet ideological leadership. Notwithstanding the so-called historical predetermination about the prevalence of the communist society Gorbachev accepted openly that he accepted the compatibility of the

capitalist system and hence insisted on reforms of the communist system in order to make it competitive with the capitalist system.

Already on the occasion of a lecture delivered on November 11, 1986 to the Gerhard Schröder Circle, Bonn (Gerhard Schroeder was a member of several Konrad Adenauer- and Ludwig Erhard Cabinets in the fifties and sixties – among others as Foreign Minister 1961-1966) I had taken the definitive position that the reform policies adopted and pushed forward by Michael Gorbachev had to be taken seriously, however expectations regarding their chances for success should not be taken for granted – due to counter-veiling forces within the Soviet Union and in the European glacis of the Soviet union (GDR and Czechoslovakia). However it had to be noted that Gorbachev and Reagan had agreed at their summit meeting in Reykjavik to withdraw medium range missiles and cruise-missiles from the European soil (SS 20, Cm, Pershing 2) – an initial agreement for a series of arms control agreements to follow. This first arms control agreement was a strong indication for the credibility of the BND thesis that we were witnessing a serious reform effort on the part of the Soviet regime. A little later –in Mai 1987 – the Warsaw Pact replaced the existing military strategy by a defensive strategy, which could be met with substantially reduced levels of forces in comparison with the forces needed to meet the requirements of the military strategy hitherto in force. Arms control talks were revitalized given the new outlook. The Hungarian Foreign Minister Horn stated publicly that Soviet forces would first be withdrawn from Hungary – as early as 1989. The outlook brightened considerably - for meaningful arms control talks and new East West agreements on considerably lower levels of forces.

On the horizon appeared the possibility for a great game historical compromise between the USA and the Soviet Union for a new strategic situation in Europe – a less tense and more promising one.

This process was accompanied by very important political developments –in Poland more or less free elections were conducted in 1989 on the basis of agreements reached at a round table with representatives from the ruling system and representatives from Solidarnosc – the national and social resurrection movement comprising more than 10 million members, and the unrestricted opening of the Berlin wall on November 9, 1989 to be followed by round table talks on the further development of the GDR leading up to free elections on March 18, 1990, the introduction of the German Mark as the national currency by July 1, 1990 and the accession of the reinstated Federal States of the GDR to the Federal Republic of Germany. Such developments took place as well in Prague, Budapest, Sofia and Bucharest. This process – it is hard to imagine a more dramatic, but peaceful transformation in history led up to the summit conference of Heads of State and Government from the Warsaw Pact and the North Atlantic Alliance held in Paris on November 19 for the signing of the first Europe wide conventional force disarmament and arms control treaty in European history (CSE Treaty), to be followed by the CSCE Summit declaration – the Charta of Paris – dated November 21 1990 - for the transformation of East and Central European countries into pluralistic civil societies and democratic state structures (separation of power, independence of the judiciary, human rights respect, free and fair elections with national and international monitoring systems), as well as market economies. Assistance and advisory institutions would be set up.

However, at the same time, the domestic situation within the Soviet Union became more complicated, complex and uncertainties grew about the continuation of the domestic reform process:

- the supply situation for the population deteriorated rapidly
- chaos spread across in metropolitan areas

- the position of the Soviet Union on the world stage changed – in the mindset of the Soviet population in a negative sense
- “Glasnost” and “Perestroika”, the slogans used by Gorbachev for the mental turnaround of the political and bureaucratic system without being in the position of reliance on countrywide networked grass root organizations - led to the renunciation of the monopoly of the Communist Party of the Soviet Union and under new conditions to nation-wide elections for a New Supreme Soviet, however, in parallel also to direct election of a President for the Russian Federation (Yeltsin). There was to be a power struggle between the Russia based Boris Yeltsin and the centrist based Michael Gorbachov leading to the break up of the Soviet Union after the coup d’etat organized by conservative representatives of the old system, crashed by Yeltsine in his capacity as the leader of the Russian Federation and used for the formal dissolution of the Soviet Union in December 1991. So far as the internal reforms was concerned the Soviet Union had not survived the first stage. The second and follow on stages were to be conducted, if at all, within the structure of the now fully independent successor states to the Soviet Union – the former Republics of the USSR. In mid summer 1991 the BND stated that the power to decide and to rule had evaporated from the centre and had been established at the political centres of the federal states – some of whom tried to establish- together with Gorbachov a new, a federated or confederated Union of Soviet Republics. In the end it was a very loose Association (Commonwealth) of Independent States (CIS), without the Baltic Republics and on some issues without the Ukraine.

Why did the internal reform process of the Soviet Union fail to accomplish its goal – the modernization of the Soviet Union? Why did Gorbachow not adopt the Chinese model – economic reforms and maintenance of the more or less rigid central governmental and political system? Would more an rapid support from the West have saved the reform process (World Bank, IMF, national grants and credits in support of the Russian currency and for rapid investment?) Themes such as the control of nuclear warheads, the implementation of conventional arms control agreements the conversion of armaments industries into consumer industries and the introduction of market reforms were top on the agenda in talks of Western institutions and of Western governments with the Soviet Union and later on with the Russian Government as well as with other successor governments aimed at securing decent and peaceful transformation to democratic state and civil society institutions. There was growing concern among civil society in the West about the deteriorating supply situation for the population in the post Soviet area. Humanitarian assistance was organized on the national and the international stage. Unabatedly, however, the self-destruction continued its path. Links between industrial and commercial centres from around the Soviet Union collapsed and turned manufacturing sites into idle places.

It became obvious that the window of opportunity to establish firm agreements with the Soviet Government on the reorganization of Europe on the basis of mutually agreed treaties and agreements had been closed – it had been open just one or two years. It is also true that it wasn’t the commitment of the Soviet union towards a new role on the world stage that made the Union collapse but the chaos created at home in the course of a would be reform leading up to the dissolution of the communist party without establishing new political forces in its place to seek legitimacy on the basis of an integrated and workable reform agenda. Everything that had not been settled yet on the international stage until mid summer 1991 was to come by way of regional and local crises, such as the crisis on Georgia., Moldova and in the post Yugoslav region. Japan failed to reach an agreement – the long overdue peace treaty with the

Soviet Union/Russian Federation including the return of some of the occupied Northern Islands.

In 1987, this was –as presented in a lecture – the situation in East Europe:

A country that reaches – as the Soviet Union has experienced - the limits of growth under the conditions of its system will be forced from within to change positions that had become counterproductive – unless it is ready to succumb in full consciousness. Reforms may have been induced also in light of new strategic changes in the Far East.

As an alternative to the present situation the Soviet Union has only one choice – namely to seek compromises taking into account essential interests of both sides. The Four Power status on Germany offers a sufficient basis.

A policy of reforms in East Central Europe would have substantial consequences for the Western Alliance as well as on the Foreign – and Security policy of each of the member states of the Alliance. The weight of nations and states in this geographical area – in terms of quantities and in terms of historical developments – would increase. Taking into account the low degree of probability that the Soviet Union would decide to intervene militarily or by the threat of force in order prevent a weakening of their position in Central Europe, the developments initiated with the Helsinki Final Act were – in the end –of fundamental importance for Europe .The Final Act and the agreements achieved in the three areas – human rights, economics and political confidence building –opened the road to a peaceful strategic reorientation of Europe in case of a period of weakness of the Soviet Union. The Helsinki process enabled political diversification in Europe and resumption of the Western orientation of East and Central European countries.

In this sense we are witnessing “The Decline of Soviet Hegemony over Eastern Central Europe” - an adjustment of the Kissinger statement about “The Decline of Soviet Power”.

The BND analyses of developments in the Soviet Union and in Easter Europe were received by friendly partner services with a great deal of scepticism. The intelligence services in London, Paris and Washington considered the reform process as a pause for regeneration in order to resume – in the end – the expansive foreign and military policies of earlier times. In Paris and London –themselves the capitals of former imperial powers – the view prevailed that the Soviet system – a system not disarm from that of colonial powers – could not be reformed and would rather collapse than re-emerge as a newly established democratic country. This view was also the view of the Russian writer Solshenyzin.

The scepticism of the BND regarding the chances for success of the internal reform process advanced by Gorbachov rested far less on the comparison with the fate of other former colonial powers but rather on the not contested fact of life, that –apart from the group of reformers at the centre – there was no such thing as a reform party in all parts of the country and firmly established at the grass root level. Anyone who would have dared starting such an effort would have been eliminated from the local or regional stage quickly. Such reformist groups would have been in a position to resist the emerging nationalistic forces in all post Soviet countries.

For quite some time, the potential of Boris Yeltsin was overlook by some of our intelligence partner structures, who succeeded, to lead the Russian Federation to some meaningful reforms and to bring about some agreements among the members of the emerging Commonwealth of Independent States. He endeavoured to bring about an understanding among the successor

States similar to the understanding reached at Herrenchiemsee among the Prime Ministers of the federal States that re-emerged after the end of World War II in Germany as a precursor to the formation of a federated Germany. However, the Prime Ministers from the Soviet Occupied Zone in Germany were not allowed to implement the agreements reached.

The concept for a Commonwealth of Independent States or of a Confederated Union as promulgated by Yeltsine reflected a great deal of political realism on the part of Yeltsine, but also a great deal of power rivalry with Gorbachev who stood for the concept of a centrist structure. According to the BND assessment, already in midsummer 1991, the position of the centrist state – as represented by Gorbachev – was already undermined to a very large degree. It had turned into an empty shell. In 1990 I stated in one of the public lectures “The central authorities of the union are in a position to have their decisions be implemented throughout the Soviet Union up to the degree, accepted by the individual member states of the Union. Such is the Basis Law of the future Soviet Union”.

IV. The GDR – as seen by the BND

In its relationship with the other part of Germany – the GDR – it was of great importance for the federal Republic of Germany to maintain as many contacts with the population as possible. The government pursued a policy of small steps and of “menschliche Erleichterungen” – of improvements of daily life in the GDR. However, what was the undercurrent in this part of Germany that was cut off from the mainstream of freedom of speech and assembly as practiced in West Germany as in all of West Europe?

What would be their choice if they had a free choice?

In 1985 when I started my term of office in Pullach (BND), I gained the impression, as I stated in my benedictory at the closure of my functions at the BND in October 1990 that the BND reporting on the GDR was received rather critically at the governmental level. Such critical voices were heard in particular among the staff members of the GDR-department in the Chancellor’s office. And at the Permanent Representation in Berlin East. There were but limited contacts with these offices.

The Federal Government assumed stability of and within the GDR, and assumed that the GDR would be there for ever – for the foreseeable future at least. Bonn considered that the reports regarding rising pressure of GDR inhabitants applying for permanent transfer into the Federal Republic of Germany overstated the case. Regarding its economic performance the GDR enjoyed the reputation that it managed the socialist system comparatively well – better than any other socialist country at least. It has to be recalled however that the GDR had direct access to the EU Common Market since it was considered to be part of the German customs zone. Also, there were always transfer payments in German Mark that means financial transfers in hard currency. In addition the observers overlook the dirty production of energy from soft coal which constituted a bobble of great significance for the health of the population.

Information on what East Germans were thinking “really” was available only punctually. This would not allow drawing general conclusions. Therefore, we developed in 1985 a questionnaire, which was to be used systematically, if needed clandestinely in interviewing East German citizens. In regular intervals of about six months these “Psycho-political Situation Reports” were transmitted to the Federal Government and its agencies and organisations, but also to the intelligence services of interested countries such as the USA, France, Great Britain and through them to their governments.

In these questionnaires views were sought on the issue of German unification, travel facilities across the divide in Germany and regarding the desirability of permanent transfer into the Federal Republic of Germany Also the question regarding access to West German Radio and TV was put to the conference and of course questions regarding the acceptance of the GDR as a separate German State.

To the surprise of not only a few, the evaluation of the questionnaires showed in all regularity that the population kept alive the desire for unification, however did not expect this to happen soon because of opposing interests of the Soviet Union The encouragement for reforms as pushed forward by Gorbachev did not translate into a perception of the Soviet Union regarding German unification. In many respects the population maintained an attitude towards Soviet authorities as adopted in relationship towards occupying forces, which means that meaningful decisions on essential questions are taken at the strategic, meaning to say at the political level in another country without taking into consideration the opinion of the local population. The answers made it amply clear that the population did not want the Federal Republic of Germany to accept a separate citizenship for the population: The accessibility of the “West-”German passport was the lifeline to freedom and to Europe in case of need or desire. The acceptance of such a demand of the GDR would reduce considerably the claim for free travel into the West.

Gradually the evaluation reports on these questionnaires improved so far as the “Bonn-establishment” was concerned. Scepticism prevailed regarding the number of applications for permanent transfer into the Federal Republic of Germany, approaching the figure of one million while the protestant Churches mentioned figures below 100.000 applications. BND figures were based on SED-contacts compiling the reports from regional SED offices. Maybe they exaggerated, may be not. Maybe SED regional offices wanted to increase pressure on the SED centre in favour of reforms.

The SED leadership – Honecker and his comrades , qualified by the BND always as the SED Beton-Gang - held the view at the time that the Gorbachev reform policy was of a temporary character and would not persist. The GDR had – on the other hand - already undertaken many of the reforms that were considered or planned in other member states of the Council of Mutual Economic Cooperation (COMECON). The GDR had already a socialist economic system based on the productivity of labour and the political system enjoyed “Bürgernähe” – citizen friendly administration.

It was a great disappointment for Honecker to learn from the Soviet leadership of Gorbachev on the occasion of the 40th anniversary of the GDR in Berlin that the Soviet Union would not render support to any forceful action undertaken possibly by the GDR regime against revolts, as it had been done by Chinese forces against the revolting students on Beijing, and as it had been done by the Soviet Union on the occasion of the East German uprising in 1953.

The BND reported a great deal on developments within the GDR. It gave prominence to the continued manifestation of adherence of the population to the notion of the German nation and eventual unification, the strong orientation of the population towards the West and regarding the significance of the role of Churches in East Germany.

Of course, military intelligence on the disposition of Soviet Block military forces in the GDR and in East Central Europe enjoyed high priority. In the context with this essay, however, the military issues are not as topical as are political and economic as well as social questions.

The BND put into question – increasingly so – the credibility of statistical data provided by the GDR – on the basis of advice rendered by specialists who had come to the West from the GDR, as well as on the basis of a more elaborate evaluation system developed for the purpose of NATO-considerations on the issue.

In the context of a general assessment of the GDR prepared in 1988 the following is being said about the GDR economy:

As a consequence of heavy expenditures of the state for its own purposes (Party, Secret Intelligence, Administration, Armed Forces) the investment-rate declines further in comparison with the investment rate of the Federal Republic of Germany.

As a result of poor choices in products, retarded deliveries of components and a lack of cost-effectiveness awareness productivity suffered another setback. The position of the GDR economy in monetary terms is indeed less satisfactory than shown in the reports submitted to the “Bank für Internationalen Zahlungsausgleich” (Bank for international Payments) in Basle.

Experts on the GDR working within the structure of the BND maintained the viewpoint for quite some time that the GDR regime could survive economically for quite some time. So far as the potential is concerned that is correct. However, the specialists of the BND ignored the possibility of a changing attitude of the Soviet Union as the provider of internal security, monetary assistance and political support of last resort. Such support was no longer available in 1985 and the years to come.

An answer has to be provided also to the question whether the Soviet leadership was surprised in 1989 by the dynamics of the situation in the GDR moving quickly to the essential question of unification. Soviet experts from the Soviet Embassy claim that they had not undertaken opinion polls among the population – for fear of GDR criticism. That does not sound very convincing. A Gorbachev statement from his stay in Berlin in October 1989 is reported according to which he thought that the East Germans would not agree to establish a second German state with a more humanitarian face than the GDR had been willing or able to provide for, meaning so say a separate German state with free travel facilities across the border and may be a socialist economy that had to be subsidized from outside. According to his statement he expected the East Germans to seek full membership within the Federal Republic of Germany with its social and economic system. It is to be recalled that the telephone conversations between the German Chancellor and the Soviet President that took place after the unrestricted opening of the wall, centred on the issue of safety for Soviet military installations in order to avoid under all circumstances the use of force against spontaneous attacks by demonstrating Germans.

In case the wall would not have been opened the way it occurred, the GDR could not be saved - for financial reasons. The Soviet Union was no longer in a position and no longer willing to subsidize the GDR, and the Federal Republic of Germany was no longer willing to finance an economically and politically bankrupt system that had been maintained politically the Soviet Union for decades, and of which the population demanded in their demonstrations unification with the Federal Republic of Germany.

There was no time for long lasting international negotiations - perhaps anticipated or envisaged by some of the Four Powers still in charge of matters related to Germany as a whole. The negotiations “4 plus 2” brought about agreements on all aspects of unification – and constituted an essential component of the Treaty by the Heads of State or Government of Warsaw Pact and NATO countries signed in Paris on November 19, 1990 on conventional forces levels in all of Europe.

The reform process within the Soviet Union and the fundamental revision of their traditional foreign and defence policies during the short span of time between 1985 and 1990 including the transformation of the nature of their relations with East and Central European countries and the issue of German unity were guided by the goal of the new Soviet leadership to seek recognition in Washington and in Europe as a reliable new partner and to activate investments and financial support.

The BND made available to international organisations such as the World Bank, the IMF, OECD relevant analytical material . The versatile situation within the Soviet Union rendered it almost impossible for governments and international institutions to change course quickly and effectively. Later on the West, notably the United States were criticized for not having rendered sufficient and quick assistance for the Gorbachev transformation policy. To a very large degree this criticism is unjustified. No financial assistance whatsoever could have mended the enormous mistakes committed between 1985 and 1990 on the economic side of the reforms or for that matter on the internal political side as well.

V. Summery

1. In spite of a difficult situation so far as original primary sources are concerned, the BND succeeded in recognizing at an early stage the far reaching change of direction in foreign and defence matters on the part of the new Soviet leadership with immediate relevance for the release of the satellite countries – including up to a degree the GDR – from their “eternal” ties with Moscow and the fatal impact of these changes on the survival of the GDR regime.
2. On the basis of regular opinion polls undertaken among various sectors of the GDR population - because of the special circumstances not on fully satisfactory scientific and representative foundations – it was possible to identify the willingness, readiness and desire of the population of the GDR to seize an early opportunity to re-establish the political unity of Germany, a position that was not shared in public because of the authoritarian communist regime in East Berlin.
3. The economic problems of the GDR were identified early. Since the Federal Government based their annual reports to Parliament (Bundestag) regarding the situation of the whole country, that means the Federal Republic of Germany and the GDR - since 1969 on the statistical data as published by the GDR – the public and many of the official institutions held a more optimistic and positive viewpoint of the economic performance of the GDR that was justified basically. Also the United Nations And OECD used the official statistical material of the GDR. Only in the context of NATO the assessments of the Warsaw Pact countries were based on intelligence material.
4. In 1990, the Soviet Union was no longer in a position, nor was it willing to support financially the GDR that was unwilling to join the reform policy pursued by the Moscow. The fall of the wall on November 9, 1989 accelerated the process towards unification. In the absence of financial support from the Soviet Union and from the Federal Republic of Germany the GDR would have collapsed financially and consequently also politically even with a Berlin wall still intact.
5. It would be of interest to compare the analyses undertaken by the Permanent Representation in East-Berlin and of the BND regarding East Germany during the years 1985-1990.
6. By way of technical intelligence the BND reached the inner circle of the SED leadership only indirectly – by way of basis organizations on the regional levels. The

negotiating position could not be followed closely, also because of lack of contact with the West German negotiators.

7. Military traffic was followed and fully used for strategic and tactical intelligence. Contents of message were accessible only in isolated cases.

It is not possible to pass judgment as to what a degree the reporting of the BND on the Soviet Union and on the GDR played a role in the opinion and decision making process of the Federal Government and of other German or Allied institutions. The key message of the BND on the Soviet Union was the statement that Gorbachov was seeking a far reaching new relationship, in the interest of which the Soviet Union was determined to apply a policy of non-intervention in Central Europe and to replace the offensive military capabilities by a defensive strategy and consequently new arms control agreements and treaties.

Centrepiece of the BND reporting on the GDR were the regular reports on the shaping the underlying opinions among East Germans regarding German unity and regarding their attitude towards the SED regime. Of no less importance was the identification of the declining economic performance and financial reserves of the GDR, which was bound to collapse in the event of the absence of Soviet und West German financial support.

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