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Vendors all over Germany help keep circulation high.

How Der Spiegel wins profits—and enemies

By printing exposes of German officialdom—and business, too the newsweekly magazine has become a publishing miracle—even though its publisher faces trial for treason



Whether they buy Der Spiegel on the street or have it delivered by mail, the magazine is popular with the best-paid and best-educated people in Germany. While readers concede that Der Spiegel goes after everyone with equal aggressiveness, many dislike its know-it-all attitude.

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Each Monday morning a mercilessly probing—and highly profitable—magazine makes its appearance in West Germany. Sandwiched among its full-color ads for Winston cigarettes, Mercedes cars, Lufthansa flights, and Friedrich Krupp steel, top German officials find themselves mirrored in some of the most unflattering prose and photography found anywhere.

The magazine is Der Spiegel (The Mirror), and just last week for the second time in two years its obstreperous young publisher, Rudolf Augstein, was haled up before a federal judge for questioning on charges believed to be treason. Details of the latest charge haven't been spelled out and Augstein is sworn to silence. However, it's a safe bet his magazine was probing into a touchy subject—management of Germany's defense program.

Success story. In appearance a German version of Time or Newsweek, Der Spiegel's trophies include the scalp of one high German official. It has been likened to an American tabloid with a college degree—disrespectful but responsible. In ranging far and wide for its targets, Der Spiegel has written a success story in publishing that matches Volkswagen's in auto production.

Bonn officialdom is Der Spiegel's special hunting ground, but business comes in for its knocks. Earlier this month it delved into improprieties in operations of certain West Berlin banks that had suffered losses from financing car dealer operations. The banks had failed to nail down solid security against their credit. It also jumped hard on two U. S. companies, Standard Oil Co. (Ohio) and Litwin Engineering Co. of Wichita, Kan. Litwin is dickering to sell Sohio's technical knowhow on production of acrylonitrile to the East German government, a deal that Der Spiegel bitterly attacked. Its story also pointed out how embarrassing it was to the Bonn government to learn of the talks first in the newspapers.

In zeroing in on German public figures, the magazine has proved that even in orderly, stay-in-line Germany, it can be good business to oppose anything in public life that seems pompous or false.

I. The weapon

Today an issue may run to more than 160 pages with some 90 of them filled with high-class advertising—about the same as an average issue of Esquire magazine. Net advertising revenues are pushing toward \$6 million yearly and have been rising



Publisher Augstein, who relishes controversy, sets Der Spiegel's tone

on the order of \$100,000 annually. Circulation has climbed to a current 630,000 from an initial 15,000 when the magazine was started in early 1947. Gross revenues last year were well above \$8-million.

The magazine has a modest staff, considering its volume of news—in all 104 editors, reporters, correspondents, and researchers on its own staff plus about 20 stringers around the world.

Der Spiegel pays some of the highest salaries in German journalism and recently hired a subordinate editor for \$10,000 yearly. It has a policy of going after anything that appears odoriferous or in need of airing in official or public life.

Phenomenon. In some ways Der Spiegel is a greater German miracle than the rise of the Volkswagen, because it started farther down and had less going for it. Augstein, its founder, was only 23 and had little experience and almost no money when he took over the embryo of the present magazine from British occupation authorities.

Even today, there is something improbable about Der Spiegel's success. Many Germans who read it, dislike its brassy, know-it-all attitude. In addition to his latest brush with the courts, Augstein—who views Germany's strict press laws as abominable and an insult to journalistic freedom—still faces trial for treason on charges of allegedly printing state secrets. The charge grows out of the famous "Spiegel affair" of 1962, which caused a government crisis. It knocked Germany's former defense minister, controversial Franz-Josef Strauss, out of the cabinet, made Strauss and Augstein enemies for life—and eventually kicked Der Spiegel's circulation still further upwards.

Remolding. Der Spiegel has set a standard of unflinching, irreverent reporting for a press that had to recover from a dozen years of Nazi-state influence. In so doing, it probably has helped make German publishing a more thriving, highly competitive business.

While Der Spiegel has no direct competitor in Germany, big picture magazines are starting to run more Spiegel-type political coverage in their columns. From practically no functioning press after World War II, Germany's publishing industry now counts 178 consumer-type magazines with 46-million circulation and 1,450 newspapers selling nearly 17-million copies.

At the top of the magazine heap, competition is rough. Five big photo-text magazines, each with over 1-million circulation, are competing for the

and German publishing industry observers believe only two will survive. They have achieved their circulation probably because German television, while competent and educational, gives little plain entertainment.

II. The target

Like American publications, Der Spiegel does a great deal of reporting on political personalities. But unlike U.S. magazines, Der Spiegel is not just an observer; it also is an active combatant. Among its exposes:

- In 1952, the magazine reported that the then chancellor, Konrad Adenauer, discussed with a French espionage agent in wartime plans to evacuate his family to Spain in case Russia invaded Germany. A suit was brought, then dropped, after Der Spiegel conceded it really didn't want to defame Adenauer.

- In 1958 it exposed a minister of a German state who used his office for personal profit. The minister lost his job and was sentenced to jail.

- In 1961 Der Spiegel charged Defense Minister Strauss helped an architect friend get commissions for construction of U.S. military housing in Germany. A parliamentary commission cleared the minister.

The 1962 affair with Strauss has caused the greatest shock waves. At that time Der Spiegel reported in startling detail results of a NATO maneuver purportedly showing the German army badly prepared to fight off a Russian attack. Behind the story was Der Spiegel's conviction that Strauss wanted to arm Germany with nuclear weapons and favored a "pre-emptive" strike strategy.

Aftermath. On grounds that Der Spiegel had published state secrets, police by the score descended on the magazine's offices, occupied them for a month, confiscated tons of documents, and forced the staff to operate out of other quarters.

Augstein and key men on the staff were jailed for a time. However, Strauss was forced to resign when it was learned that he was instrumental in having a vacationing Spiegel editor picked up by Spanish police and returned to Germany.

Out of this and other battles with the former defense minister has grown a smoldering complex of legal cases, rulings on which can further damage the already battered career of Strauss or put Augstein into jail. The German supreme court will make the decisions, but probably not before spring. The feud between Der Spiegel and Strauss serves to point up two current forces in Germany: Der Spiegel represents a new anti-establishment while Strauss is a

man who many believe represents an ominous resurgence of authoritarianism.

III. The marksman

Der Spiegel today, as it was at the beginning, is Augstein, now 41. He works in his shirtsleeves in a book-lined office in Hamburg's Presse Haus, and oversees practically the entire textual and photographic production. He writes his own highly personal political column.

Fighter. Der Spiegel's combativeness is again a reflection of Augstein, although the man himself belies it. Slight, short, and bespectacled, he looks more like a divinity student than Germany's most controversial press figure. Many Spiegel employees pass him in the hallways without recognizing him. He dresses modestly, lives in an unpretentious Hamburg neighborhood (in a house originally built by Max Schmeling), owns a Ford Thunderbird, but appears to prefer a Volkswagen 1500.

Augstein has strong views on most issues, and the magazine naturally goes along—sometimes to the regret of his colleagues. The magazine originally opposed NATO, German rearmament, and attempts to unify Europe.

One of Augstein's most controversial stands is for recognition of East Germany—not necessarily formal political recognition, but admission of the fact that, like Red China, it exists and has to be dealt with. In Germany, this is something like heresy. Actually, Augstein is a devoted citizen who desperately wants Germany to play a responsible role in European and Atlantic affairs. This, it is felt, is one of the keystones of his antagonism toward Strauss.

Complete job. Still, most Germans concede that Der Spiegel goes after everything with equal aggressiveness—and is interesting. Its well-researched articles tell readers all they need know about birth control pills, the dangers of smoking, even the influx of American capital (on which it concluded that "the increase . . . over the past years corresponds to little more than 1% per year of total investment growth of the German economy").

Further, its readers are the best-educated, best-paid people in West Germany, or so its advertising department claims, citing independent surveys. Says an official of one of Germany's largest corporations and a regular advertiser: "We prefer Der Spiegel for institutional ads because it's the only mass medium reaching the German elite. Anyone who is anyone in Germany reads it." **End**