

~~SECRET~~

~~CONTROLLED DISSEM
SENSITIVE~~

SNIE 20-1-66

27 October 1966

~~RESTRICTED DISSEM~~

SPECIAL
NATIONAL INTELLIGENCE ESTIMATE

NUMBER 20-1-66

FOREIGN REACTIONS TO CERTAIN US COURSES
OF ACTION REGARDING US FORGES IN EUROPE

Submitted by

[Handwritten Signature]

DIRECTOR OF CENTRAL INTELLIGENCE

Concurred in by the

UNITED STATES INTELLIGENCE BOARD

As indicated overleaf

27 October 1966

DATE

Authenticated

[Handwritten Signature]
EXECUTIVE SECRETARY, USIB

~~SECRET~~

~~CONTROLLED DISSEM
SENSITIVE~~

303-209751/

Submitted by the

DIRECTOR OF CENTRAL INTELLIGENCE

The following intelligence organizations participated in the preparation of this estimate: The Central Intelligence Agency and the intelligence organizations of the Departments of State, Defense, and the NSA.

Concurred in by the

UNITED STATES INTELLIGENCE BOARD

on 27 October 1966. Concurring were the Director of Intelligence and Research, Department of State; the Director, Defense Intelligence Agency; and the Director of the National Security Agency. The Assistant General Manager for Administration, Atomic Energy Commission and the Assistant to the Director, Federal Bureau of Investigation, abstained, the subject being outside of their jurisdiction.

CLASSIFICATION OF TITLE IS OFFICIAL USE ONLY
WHEN USED SEPARATELY

GROUP 1
EXCLUDED FROM AUTOMATIC DOWNGRADING
AND DECLASSIFICATION

64378

WARNING

This material contains information affecting the National Defense of the United States within the meaning of the espionage laws, Title 18, USC, Secs. 793 and 794, the transmission or revelation of which in any manner to an unauthorized person is prohibited.

CONTENTS

	<u>Page</u>
NOTE	1
THE PROBLEM	1
EXPLANATORY NOTE	3
THE ESTIMATE	3
I. IMPLICATIONS FOR THE WESTERN ALLIANCE AND US RELATIONS WITH WESTERN EUROPE	3
General	3
Impact of Cutbacks on European Military Programs	5
Political Impact of Cutbacks	7
Effectiveness of Various US Explanations	12
II. COMMUNIST REACTIONS	13
III. POSSIBLE BROADER IMPLICATIONS	19

~~S-E-C-R-E-T/SENSITIVE
RESTRICTED DISSEM~~

CENTRAL INTELLIGENCE AGENCY

27 October 1966

SUBJECT: SNIE 20-1-66: FOREIGN REACTIONS TO CERTAIN US COURSES OF ACTION REGARDING US FORCES IN EUROPE

NOTE

This SNIE was done at the request of Mr. John J. McCloy, the President's Special Representative for the current negotiations with the United Kingdom and the Federal Republic concerning Allied strategy, force levels, and financial problems. The terms of reference were provided by him and his staff. In view of the special character of the paper, the summary conclusions usually provided in NIEs were omitted.

THE PROBLEM

To estimate foreign reactions to various US courses of action affecting American forces stationed in Europe. The alternative courses are:

~~S-E-C-R-E-T/SENSITIVE
RESTRICTED DISSEM~~

GROUP 1
Excluded from automatic
downgrading and
declassification

- Case 1: To maintain US ground and air forces in West Germany at their present level^{1/} on the basis of German agreement to continue to bear at least a substantial portion of foreign exchange costs.
- Case 2: To cut 30,000 men from US ground forces by a thinning-out process, which would eliminate some subordinate units but retain the present number of combat divisions; in addition, to establish dual basing arrangements for 10 percent of US aircraft and associated personnel now assigned to Germany, so that they would in the future be based part of the time in the continental US. These measures would reduce US dollar expenditures abroad by about \$74,500,000 annually.
- Case 3: To cut 50,000 to 60,000 men from US ground forces, including withdrawal of one combat division; in addition, to arrange for dual basing of 20 percent of US air strength. These measures would reduce US dollar expenditures abroad by about \$151,000,000 annually.

^{1/} Present US ground forces in West Germany total about 185,000 men (authorized strength 223,270 men) including five combat divisions and three brigades and supporting elements; present US Air Force strength consists of about 300 aircraft and 25,000 men including 14 squadrons plus supporting elements. The number of US naval personnel based in West Germany is insignificant.

Case 4: To cut 150,000 men from US ground forces, including withdrawal of two to three combat divisions; in addition, to arrange for dual basing of 40 percent of US air strength. These measures would reduce US dollar expenditures abroad by about \$338,000,000 annually.

EXPLANATORY NOTE: Each of the postulated US reductions of ground force strength given above would not necessarily be accompanied by the specific change in air strength with which it is listed. For example, the cut (Case 2, above) of 30,000 men from the US ground forces could be accompanied by dual basing of either 10 percent, 20 percent, or 40 percent of US aircraft and associated personnel. Thus the specific cases we have chosen are intended to be illustrative of orders of magnitude and are not the only possible combinations.

THE ESTIMATE

I. IMPLICATIONS FOR THE WESTERN ALLIANCE AND US RELATIONS WITH WESTERN EUROPE

General

1. For some time, many West European voices, not confined to France, have called for their countries to exercise a greater influence over the area's policies, with a concomitant reduction of US predominance. Differences in power and interest were bound to give rise to this attitude in

time, but they have received strong stimulus from the spreading conviction that, despite the USSR's great military power, the likelihood of a Soviet attack against Western Europe has greatly diminished. In 1966 developments in certain countries reflected a further assertion of an independent European interest: the formal French withdrawal from NATO, domestic attacks upon the pro-US policy of the West German Government, and a genuine uneasiness and concern over the growing US involvement in Vietnam. The issue of US troop levels in West Germany and the related financial problems will obviously affect the evolving political climate of Western Europe.

2. Case 1: The retention of US forces at present strength, under some financial arrangement accepted both by the US and other NATO nations concerned, would not eliminate the present malaise in the alliance. A troubled phase in German-American relations is in prospect even if the US decides to maintain present force levels in West Germany. Thus, it does not appear that a wholly amicable settlement of the offset problem is within reach, given the history of the issue and the likely German attitude. On the other hand, if the tripartite negotiations did result in a US decision to continue present force levels, relief would be felt by those who had feared an early and radical change in US policy. Especially in Germany, there would probably be some temporary improvement in the climate of relations.

3. Cases 2, 3, and 4: Any of the three force cuts would raise some doubts about the firmness of the US commitment to Europe's security, especially in the light of earlier pledges that force levels would be maintained. In Cases 2 and 3, the governments would realize that the US still had substantial military forces in place, certainly enough to commit it fully in case of Soviet attack. While the withdrawal of a divisional unit under Case 3 would attract considerable notice, we doubt that in the end reactions would be significantly different from those under Case 2. Under all the alternatives, the concern would be far less with the immediate security implications than with what the move might signify about US intentions over the long term. Nevertheless, Case 4 would give rise to instant and serious alarm in many quarters. Most governments would see a confirmation of their fears that US policy has shifted to give priority to Asia over Europe. There would be a marked loss of confidence in US leadership within the alliance, and the Germans would feel in addition a real concern for their long-term security.

Impact of Cutbacks on European Military Programs

4. On strictly military grounds, if such considerations could be separated from the political implications, there would be little strong opposition in NATO to either of the two smaller force reductions. Most NATO governments do not believe that the military security of Western Europe

depends on large conventional forces physically located there, as their own reluctance to meet NATO commitments shows. The present West German Government would argue that its military security was endangered by even the smallest cut, but would do so mainly for political reasons. It would fear that a process of military disengagement in Central Europe was getting underway and that this meant tacit acceptance of an indefinitely divided Germany. West Germany has, in fact, tended to follow after the rest of European opinion in downgrading the likelihood of Soviet attack. In view of possible changes of political leadership in Bonn, however, the views that the German Government would uphold must be considered somewhat uncertain.

5. In the absence of a visibly revived threat from the East, we do not believe that either the smaller NATO countries or Great Britain would expand their own defense establishments to fill the military gap caused by the Case 2 or 3 cuts. They would not see any "gap." Great Britain's economic problems will almost certainly lead it to reduce its defense establishment in coming years in any case. Most of the smaller NATO countries would probably reduce their defense efforts somewhat, and even West Germany would almost certainly not expand its forces. Bonn has only reluctantly supported the concept of flexible response which requires large ground forces, and would prefer a deterrent strategy based on a lower nuclear threshold.

6. If the US made the Case 4 cut, other NATO countries would probably consider that they were politically and economically unable to make up the

entire difference. West Germany and France might attempt to move toward a common, and perhaps eventually an enlarged, defense effort with other European nations who wished to participate, but this would depend on the outcome of highly uncertain political developments in the countries concerned.

Political Impact of Cutbacks

7. Though NATO governments are generally agreed that the likelihood of a Soviet attack has diminished, all members except France want NATO to continue to serve as a political instrument of Western cooperation. Most would also like to preserve it as a framework in which to contain the Germans, concerning whose future conduct there is still apprehension. Almost all member states would in fact probably try harder than ever to keep the US politically involved in Europe.

8. The largest cut (Case 4), coming at a time of visible disarray in the alliance, would be interpreted in some quarters as a deliberate US move toward substantial disengagement from European affairs. It would provoke a wider debate than has yet developed about the future of the alliance, and bring into question the entire structure of political and military concepts upon which it has been based. Some impetus would be given to the contention that Europe's best course would be to move toward

a neutral position between the US and the USSR. This in turn could alter the foreign policy positions and internal political balances in individual countries, and in time change the political and military power structure of Europe. But this would be a long process, and its outcome would depend greatly upon subsequent US policies, upon Soviet reactions and attitudes, and upon domestic political developments which are not now foreseeable.

9. France. General de Gaulle would be strengthened in his efforts to undermine the US position in Europe, marginally in Cases 2 or 3, and in a major way if the US carried out the largest reduction. Any US withdrawal would bring greater receptivity for de Gaulle's statements that the US commitment was unreliable, and he would encourage suspicions that small cuts -- if such are decided upon -- were only a first step toward larger ones. Such tactics would probably not only gain some support in other West European countries for French policies, but would also strengthen de Gaulle domestically. None of the cuts, however, would of itself bring success to French efforts to destroy NATO as a political instrument of US-European cooperation.

10. The main thrust of de Gaulle's diplomacy in the aftermath of a US force reduction would probably be renewed efforts to displace paramount US influence in Bonn with his own. Pressure would be brought to get the

Germans to adopt French views on European questions. More comprehensive offers of Franco-German collaboration might be made, perhaps including new proposals in the military field. Such a diplomatic campaign would probably meet with some success; how much would depend on developments in internal German politics. De Gaulle would expect to see a new fluidity developing in Europe's power combinations; in these circumstances, he would probably move cautiously in developing his relations with the USSR, and he would be particularly alert to any sign of movement in Soviet-German relations.

11. West Germany. The question of US force levels in Europe and the associated financial burdens have their greatest impact on Germany, where they have already helped to sharpen policy conflicts and personal rivalries. The administration of Chancellor Erhard and his Foreign and Defense Ministers, Schroeder and von Hassel, which has in the past strongly supported close ties with the US, has for various reasons come under heavy attack. A principal feature of the current political infighting is a tendency on the part of Erhard's opponents, both within and outside his party, to accuse him of having placed too much trust in US willingness to uphold German interests.

12. The opposition Social Democratic Party (SPD) has recently been engaged in efforts to show greater initiative on East European and all-German policy issues in ways and at a pace which the Erhard administration

does not favor. Although these efforts are not contrary to US policy (the SPD is fond of relating its activities to the concepts of President Kennedy and President Johnson), they reflect in fact a growing inclination to pursue German interests more independently of US guidance.

13. Much of the German public still retains basic confidence in US policy, and probably neither of the two smaller troop cuts would seriously erode this confidence. There would, of course, be less of a problem if the German political leadership defended the US action. In the present political infighting, however, most German political leaders and opinion makers will either be unwilling or unable to do this.

14. Either of the smaller force reductions would strengthen the arguments of German Gaullists in the CDU/CSU and would further weaken the Erhard government. Either would also add to existing pressures, both from Gaullists advocating priority for Franco-German cooperation and from the advocates of flexibility toward the East, for a reexamination of West German attitudes toward the US, France, and NATO integration. Nevertheless, despite considerable political commotion, we believe that the basic course of present West German policy would survive this event. There would be some deterioration in the climate of German-American relations, however, especially since other factors are independently working in this direction.

15. It seems clear that a major reduction in US forces would convince many Germans that US support for German interests and German standing in the alliance were on the wane, and that this in turn could be a deeply unsettling factor in German politics. The Case 4 cuts would almost certainly mean either the end of the Erhard government or such a shift in its composition that it would in effect be a new government. In either case, broader representation would almost certainly be afforded to those Germans who advocate greater independence from American policy guidance and some degree of increased cooperation with the French.

16. Large force reductions, coming at a time of confusion and crisis in internal German politics and of growing uncertainty about whether the allies support German interests, would of course stimulate German tendencies to consider alternatives to Bonn's present foreign policies. The Germans have been moving toward a recognition that their Western partners are either unwilling or unable to do anything about Germany's national problem. But they realize, too, that initiatives of their own toward the USSR have no foreseeable prospect of success, except at a price and with risks they are unwilling to contemplate. A political leadership might finally appear in Bonn which would attempt a policy of rapprochement with East Germany. If this did not bring movement toward unification, the West Germans would have no choice but to reconcile themselves to their situation for an indefinite period. We cannot foresee what this might do to the

stability of German politics, or to the value of West Germany as an ally.

17. Great Britain. Basically, Britain sees no alternative at present to the political status quo in central Europe, and believes it can be maintained with some reduction of present forces as long as the basic US guarantee of European security remains firm and believable. The British Government would accept with equanimity either of the smaller force cuts and would continue with its own plans to remove part of its forces from West Germany. Britain's reaction to the Case 4 cuts would probably be for the most part negative. The predominant feeling would probably be a concern for the long-term stability of the Continent and for the viability of present arrangements for the containment of Germany.

Effectiveness of Various US Explanations

18. Throughout Europe, the impact of US force reductions could perhaps be marginally softened or considerably exacerbated by our public handling of the issue. We doubt that emphasis on US balance-of-payments problems and US inability to work out full offset arrangements would receive much sympathy; the sums to be saved probably would not seem large enough to provide justification for the cuts. It would probably further complicate US policy toward NATO for the US to join publicly and officially the common West European views that the Soviet threat to Europe had diminished. It would not be

helpful to refer to a troop cut in the context of promoting a US policy of detente. This explanation would have a particularly adverse effect in West Germany, where the government argues that force reductions should be made only in return for specific Soviet concessions on the German question.

19. Another line of argument would be to emphasize that significant US forces remained in Europe and that advances in weaponry and logistics now make it possible for the US to meet its commitment to the defense of Europe with fewer forces on hand on the Continent. This line of argument would not be particularly cogent in Germany, but it would reassure some Europeans that the cuts did not represent a fundamental shift in US policy.

20. Regardless of how the cuts were explained, however, most European governments and the bulk of sophisticated opinion would conclude that the real reasons were US balance-of-payments problems and the manpower needs of the Vietnam war. There would be widespread concern that US preoccupation with Vietnam would in time lead to still further withdrawals, and many would feel that a cutback tied to Vietnam was a sign that the US might be over-extended in its commitments.

II. COMMUNIST REACTIONS

21. As has been implied above, there would be a large measure of interaction between attitudes in Western and Eastern Europe in the wake of a change

in the US posture. Most West European opinion now proceeds from the assumption that the policy of the USSR and its allies has changed and is directed toward detente. The implication of this attitude is that there is no longer much reason to fear a renewal of aggressive pressures from the East. If Soviet behavior in the wake of force cuts should disappoint these expectations, obviously the reactions attributed to Western Europe in the foregoing discussion would be quite different. But the attitudes and behavior of the USSR and its allies would in turn depend to a great extent on the movement of opinion and policy in Western Europe.

22. A principal Soviet objective for some years past has been to obtain from the West an acceptance of the status quo in central Europe, including the division of Germany. During the prolonged crisis over Berlin (1958-1962), the Soviets pursued their objective by threat and pressure. Subsequently, the Soviets used the tactics of "detente" with the US. More recently, their propaganda and diplomacy have stressed the need for a reduction of tensions in central Europe and for all-European security arrangements which would be built on the existence of two German states. They presumably calculate that acceptance of this thesis by the West, including the US, would isolate the Federal Republic, introduce strains into its relations with the allies, and ultimately set in train a shift of political forces within the Federal Republic more favorable to Soviet long-term purposes. The reduction of US military strength in Europe

would be seen as favorable to these aims and tactics, and probably also as a sign that NATO's further disintegration was in prospect.

23. We believe that, initially at least, the Soviets would consider it to their advantage to continue a conciliatory line toward Western Europe, except of course toward Bonn. They would probably say that the US had been "compelled" -- by the pressures of European opinion and by the strains of the Vietnam war -- to retreat from its "domination" of the West European states. The Soviets would not wish to do anything to arrest this process, and they therefore would probably not revert to tactics of pressure and threat in Germany. They would recognize, moreover, that the drawdown of US forces did not mean an abandonment of US commitments in Europe and that a renewed challenge there would still provoke a major crisis, with a consequent reversal of European attitudes and a renewed buildup of the American military presence.

24. The initial Soviet reaction, therefore, would probably be to adopt a diplomatic and propaganda stance which would encourage West European opinion to believe that no new risks threatened because of the US moves. It would be emphasized that a Europe in which US influence was diminished and the independence of European states was reasserted could easily arrive at broad and lasting security arrangements. The outline of such an all-European settlement is contained in the Bucharest Declaration

adopted by the Warsaw Pact states in July 1966, and this would no doubt be the centerpiece of the Soviet diplomatic effort. Its main features include acceptance of existing frontiers, that is, Germany's frontiers, recognition of two German states, and their permanent exclusion from any sort of access to nuclear weapons. The declaration also advocates an all-European security conference to adopt these measures and other undertakings which would insure peace and stability in Europe for the indefinite future. Probably some such political line would be the main immediate response from the East to the new situation created by a drawdown of US forces.

25. The Soviets would probably also believe that NATO itself was becoming more vulnerable to diplomatic and propaganda pressure by them. They would presumably intensify efforts they have made in the past to get Norway and Denmark to loosen their ties to NATO or even to exchange this link for entry into a Scandinavian security zone. A special security arrangement for southeastern Europe might be devised to attract Greece and Turkey away from NATO. And the Soviets would do what they could to give more substance to their rapprochement with France. They would expect that any new discords they might be able to foster in the Western Alliance would help to accelerate the departure of US power, and bring them nearer to their ultimate goal of a fragmented Europe in which their own power was clearly unchallenged.

26. The Soviets would of course consider whether, to promote an advantageous climate of detente, they should reciprocate US force withdrawals with withdrawals of their own. We believe that they would not wish to negotiate an agreement to do this, mainly for two reasons. It is their current line to emphasize dealings among Europeans on European questions and to minimize dealings with the US. Perhaps more important at present is their policy to avoid any acts which would suggest that they were facilitating US military reinforcement in Southeast Asia.

27. We do, however, believe the chances are good that the Soviets would, after they had taken some time to appraise the political-military effects of the US withdrawals, carry out some withdrawals of their own.^{2/} They have advanced proposals for mutual withdrawals in the past, and they would probably like, for a variety of reasons, to reduce their forces in East Germany. How deep the cuts might go seems to us beyond prediction at present. The extent of such reductions would be determined mainly by the USSR's appraisal of the condition of NATO and of the political and policy tendencies developing in Western Europe, in particular in West Germany, and

^{2/} Maj. Gen. Chester L. Johnson, Acting Assistant Chief of Staff for Intelligence, Department of the Army, believes that, while a possibility of Soviet withdrawals exists, available evidence is insufficient to support a judgment that "the chances are good that the Soviets would . . . carry out some withdrawals of their own."

whether these could be more advantageously influenced by intimidation or by inducement.

28. In general, the reactions of the USSR's Warsaw Pact allies to the moves discussed in this estimate would be much the same as those of the USSR. The idea of a developing detente on terms which the East has advocated would be congenial to them. They would welcome the opportunity to develop their trade with Western Europe, and would hope that military burdens could be eased. Some of them might want to move faster in developing relations with West Germany than East Germany, Poland, and the USSR would want. The USSR might think it had reason to be concerned about the degree of independence that would develop in time from the assertion of these interests. But unless there were fundamental changes in the political and military structure of Europe, the basic alignment of these countries with the USSR would not be affected.

29. The Soviets would be less interested in the reasons given for the US moves than in what the changes meant for power relations in central Europe and for the possibility of developing and exploiting a political estrangement between the US and its allies. If the Soviets should judge these factors to be favorable, they might eventually depart from the cautious tactics which we believe would mark their early reactions and return once again to policies of pressure. In the general struggle with

American power, in which they see themselves as inevitably involved, their aim remains to induce as many European states as possible to take a neutral position. They have shown in the past that they consider both pressure and persuasion as suitable tactics to this end, and would presumably employ both again as their judgment of circumstances might dictate.

30. The Asian Communists. Hanoi and Peking would believe, on the one hand, that US resources were being strained and that the US had suffered a further setback in its efforts to gain European support for its Asian policy. On the other hand, they would expect that US power was about to be concentrated on a still greater scale in the Asian theater. However they struck the balance, we doubt that their will to persist in pursuit of their own declared objectives in Southeast Asia would be affected.

III. POSSIBLE BROADER IMPLICATIONS

31. Interpretations -- and no doubt overinterpretations -- of the meaning of a US move to change its posture in the vital European theater would be made by political leaders all over the world. Many would probably believe that this development marked a welcome further stage in the dismantling of the cold war, at least in Europe. Some might think it provided proof that American power and resources were overextended and reverberations

~~S-E-C-R-E-T/SENSITIVE
RESTRICTED DISSEM~~

from American domestic debate might help to sustain this view. On the whole, we do not believe there would be any substantial political costs in other areas in consequence of US withdrawals from Europe.

32. Our judgment that no serious problems for US policy in other areas are likely to result from troop reductions in Europe applies only to the relatively near term. The alignment of forces which has obtained in Europe for two decades has been the central feature of the world's power structure. If, in consequence of US moves and reactions to them, it came to be believed that this alignment was changing, perceptions of what power relations are and where interest and security lie might alter, both in Europe and elsewhere. We do not suggest that the particular measures to reduce US forces in Europe which are discussed in this estimate would predictably have such far-reaching effects. We do, believe, however, that they might set in motion important changes in power relations and political alignments, the full scope of which cannot be foreseen. Some unknown degree of risk inevitably attaches to deliberate moves to alter long established political-military relationships.

33. It is also true that timing is a key factor affecting the consequence of such moves. Initiatives which at one moment and in one set of circumstances might have entirely tolerable or even advantageous effects, might at another moment set in motion a train of wholly adverse repercussions.

~~S-E-C-R-E-T/SENSITIVE
RESTRICTED DISSEM~~

~~S-E-C-R-E-T/SENSITIVE
RESTRICTED DISSEM~~

At present, confidence in the wisdom of American policy has suffered in many areas because of Vietnam. In NATO itself there is disarray and uncertainty owing to the French challenge to the foundations of the alliance. Partly because of the developments, Soviet prestige and influence appear to have gained in comparison with US standing. Altogether, there seems to us to be considerable risk that withdrawals from Europe, especially if they are large, would at this juncture convey an impression of American weakness in many quarters. This would probably not be a lasting setback to American policy, but again, how others may react to a change in their perception of the relations of power is largely unpredictable.

- 21 -

~~S-E-C-R-E-T/SENSITIVE
RESTRICTED DISSEM~~