## 25X1 CENTRAL INTELLIGENCE AGENCY OFFICE OF CURRENT INTELLIGENCE

22 August 1961

## MEMORANDUM

SUBJECT: Bloc Military Activities Which May Be Related to the Berlin Situation

- 1. On 8 July 1961 Khrushchev announced an increase in the Soviet military budget and suspension of the program for reducing military manpower in the armed forces. Khrushchev's statement on military manpower merely took official cognizance of the existing situation because the force reduction program apparently ended in late 1960 after accomplishing about half of the announced 1.2 million reduction goal.
- 2. Since 13 August 1961, numerous reports have been received indicating arrival of Soviet units in East Germany as well as in Berlin. Except as noted below, we cannot confirm any significant increase in Bloc military readiness which would relate specifically to Berlin.
- 3. Except for local redispositions of units around Berlin at the time of closure of the boundary, Soviet military activities in East Germany appear to fit into exercises which are normal for this time of the year. The month of August marks the early phase of extensive fall maneuvers in all Bloc military forces

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