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CURRENT INTELLIGENCE WEEKLY SUMMARY



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EAST GERMAN REGIME FAILS TO HALT REFUGEE FLOW

Party leader Ulbricht's recent "liberalizing" measures to placate the East German populace and bring economic goals more in line with reality have not had the desired effect of reducing the refugee flow through West Berlin. More than 5,200 East Germans reportedly fled to West Berlin over the Easter week end, in addition to the 30,000 who had escaped during the first three months of the year; approximately 20,000 fled in the first three months of 1960.

Among the escapees are more than 5,500 young men of military age who presumably are seeking better job opportunities. Intellectuals and professional men also continue to escape in large numbers. The West-East flow--returning defectors as well as some West German emigrants--was at one time an important countervailing influence but appears to have dropped sharply over the last 18 months.

At the 12th plenum of the Socialist Unity party (SED) ending on 19 March, Ulbricht at-

tempted to take a middle-of-the-road position on the refugee question, apportioning blame for the flights almost equally between harsh "sectarian" practices by East German officials and "recruitment by the slave trade, systematically directed from Bonn." Ulbricht is obviously confronted by a problem: Khrushchev wishes to avoid any incidents resulting from an imposition of harsher East German security measures to bar access to West Berlin, yet Ulbricht must curtail the flights, which not only seriously cut into the already short supply of East German manpower but also impair the regime's prestige drastically. He must also consider the potentially explosive effect on an already discontented populace if the Berlin escape hatch is closed.

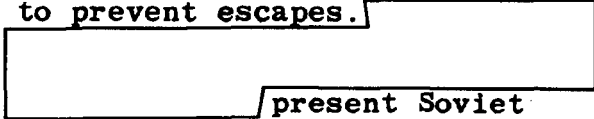
While there has been no direct evidence that party leaders are criticizing Ulbricht's liberalization policies, the mounting intensity of his attacks on "sectarians" suggest that middle-level party officials are

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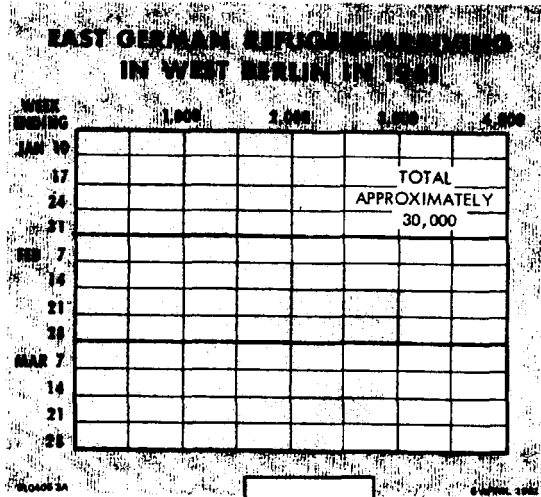
becoming increasingly outspoken in demanding harsher measures to prevent escapes.



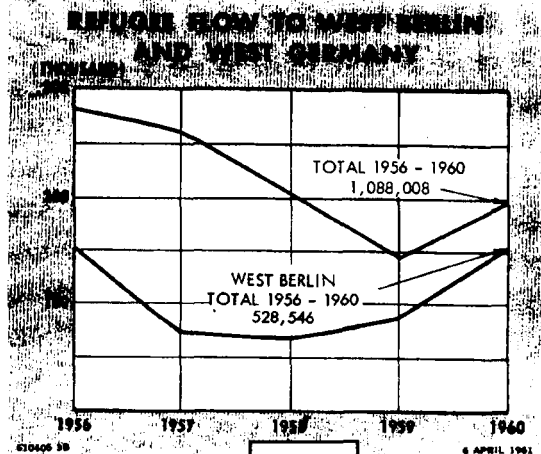
present Soviet policies would not permit closing the sector borders, although Ulbricht had repeatedly asked Moscow for permission to do so. Instead, the SED was using the "soft" approach to eliminate some of the grievances of elements most prone to defect, while placing ultimate hope in Moscow's ability to pressure the Western powers into accepting the "free city" proposal for West Berlin.

The decision of the 12th plenum to impose rigorous economy measures and close out the aircraft industry in order to divert its manpower and production facilities to other uses may increase the refugee flow. Apprehensive lest these new measures make life even more difficult, already dissatisfied workers may be prompted to leave the country.

The entire regime, from Ulbricht down, is intensifying its attack on "sectarian" practices by local officials in order to reduce worker unrest. In the present atmosphere, however, any attempt by the regime to enforce the provision of



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the new labor code, permitting it to transfer workers arbitrarily from one part of East Germany to another, would be likely to aggravate already existing discontent. (Concurred in by ORR)

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