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18 January 1961

# CURRENT INTELLIGENCE WEEKLY SUMMARY



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Reliable reports indicate that the regime, which announced its intention to make itself less dependent on West German imports, now is pursuing such a policy. Meanwhile, it is playing down its former boast that it will overtake by the end of 1961 the West German standard of consumption in certain important items. These moves suggest that Ulbricht is attempting to gain time, rather than risk a cut-off of trade with the West.

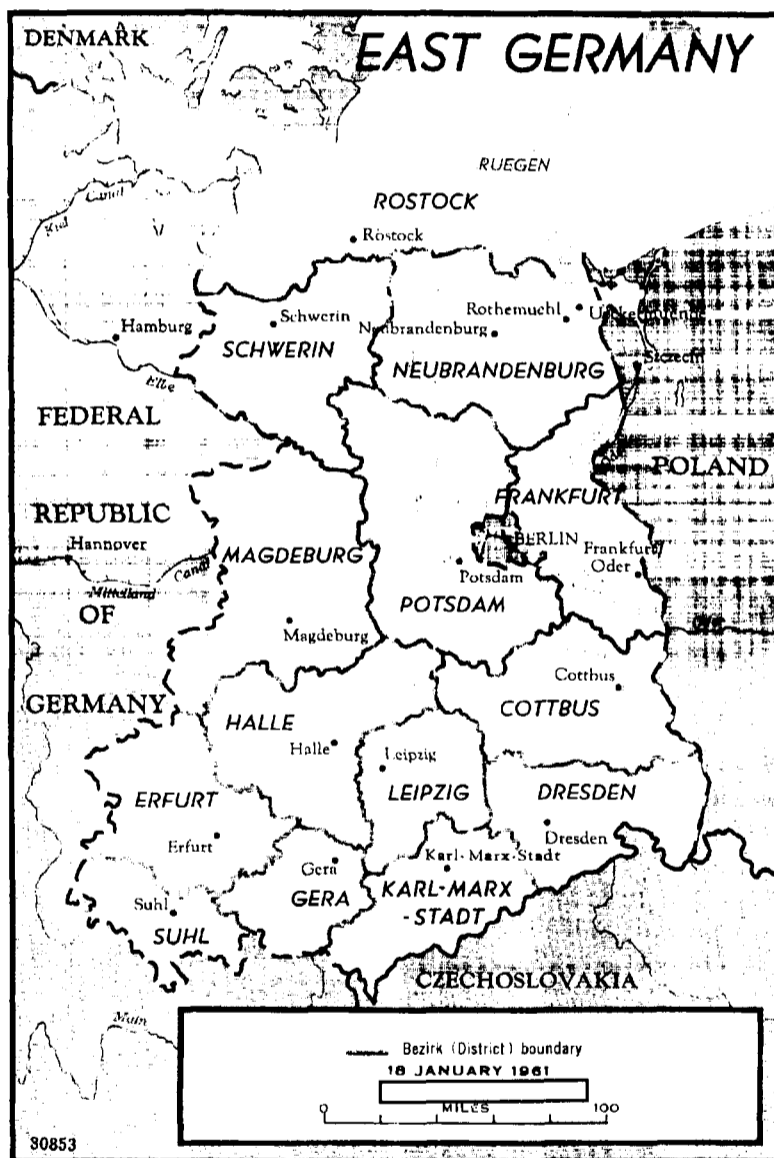
The Intelligentsia

Apart from the serious strains imposed on the SED by the necessity of conforming to Kremlin policies, Ulbricht's most serious problem is his continued inability to stem the flow of refugees to the West. West German statistics show that almost 200,000 refugees fled during 1960--more than 75 percent of them through West Berlin--compared with less than 144,000 in 1959. Among the 1960 refugees were more than 600 doctors, 275 dentists, and 2,450 engineers and technicians, as well as many other intellectuals and professional men.

To deter such flights, the regime has announced extensive concessions to professionals and intellectuals, including better housing and a reduction of political pressures. The flights are continuing, however, suggesting that these groups are reluctant to believe that Ulbricht is offering anything but a temporary respite.

Because serious shortages of skilled and professional

personnel already exist, Ulbricht's problem is not only to deter further flights but also to persuade intellectuals to return to East Germany. Some, in fact, have come back, but the return flow in 1960 appears to have been smaller than in 1959. Ulbricht's current appearance of moderation is obviously intended to speed the return flow and may,



if continued, eventually have some effect. On the other hand, any intensification of bloc pressures on West Berlin would stimulate more escapes.

Industrial Workers

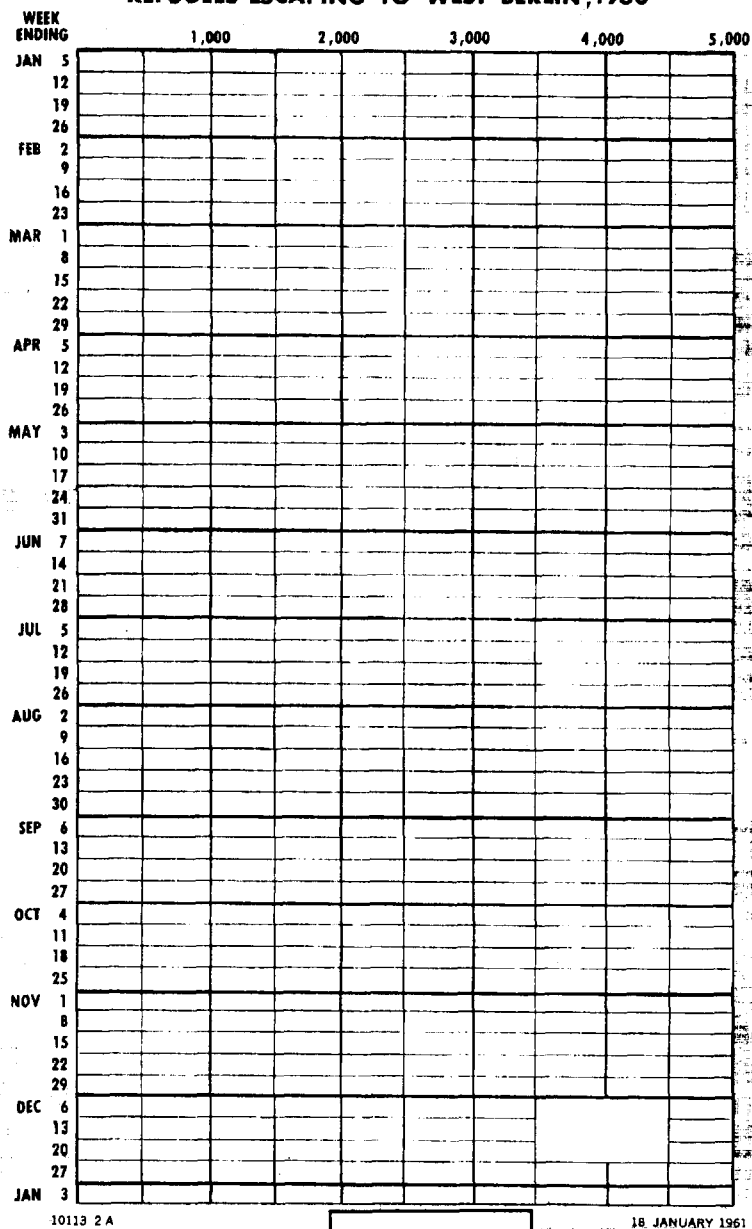
The regime continues to operate on the basis of a modus vivendi with industrial workers, showing great caution in enforcing policies which might lead to

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REFUGEES ESCAPING TO WEST BERLIN, 1960



antiregime demonstrations or increased sabotage. Although the attitudes of working men are somewhat enigmatic, there has been some evidence of open criticism of the harsh character of the new labor code introduced last fall.

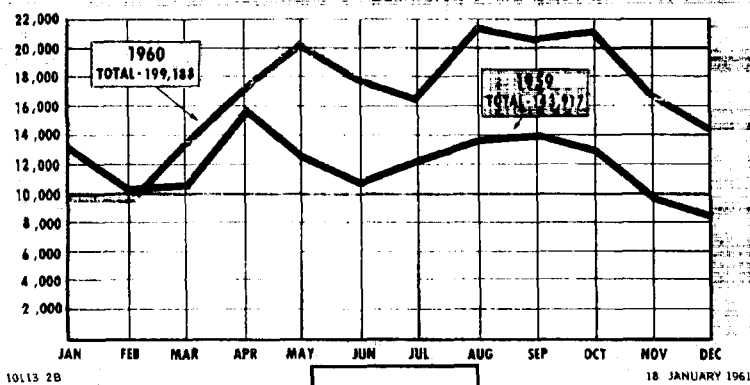
Despite recurrent reports of strikes and sabotage, however, there appears to be no disposition among workers to resort to open resistance. On the other hand, the regime's current demands for greatly increased industrial production may, if supported by the introduction of new work norms, cause a rapid deterioration of this semidetente with the workers.

Youth

The regime has been plagued in recent months by a succession of riots in southern cities, especially Dresden, involving fighting between youths and police. The riots are attributed to the evil influence of Western radiobroadcasts and trashy Western literature, and some of the participants have received heavy jail sentences.

The disturbances probably indicate a high degree of restlessness and indiscipline, rather than political resistance, but they point up the youth organization's lack of success in developing obedient

EAST GERMAN REFUGEE FLOW TO WEST BERLIN AND WEST GERMANY



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Communists. The flight of young people, moreover, is continuing at a high rate, a particularly bitter blow when--as is frequently the case--the regime has paid for the higher education of such defectors.

The Church

The regime has not relaxed its efforts to bring the Evangelical Church--the only remaining organized opposition element in East Germany--under closer control. While the regime has made considerable progress in weakening the links with the West German church, it has not yet been able to force the East German bishops to give open support to its policies nor has it been able to break the West German ties entirely.

The election of the moderate Bishop Krummacher of Greifswald as leader of the East German bishops, rather than overtly pro-regime Bishop Mitzenheim of Thuringia, probably was a source of considerable dissatisfaction to the State Office for Church Affairs. The pastoral letter read in Protestant churches on 4 December urging East Germans not to flee to the West, moreover, actually reflected defiance of the regime, since it stressed the "special burdens" and sufferings which Christians would endure by remaining "where so much in the church is being shattered."

These circumstances may account in part for the regime's decision to publish on 11 January an announcement that--for the first time--it would not permit the Evangelical Church congress to meet in "democratic" Berlin this summer. Church officials had proposed to hold meetings in both East and West Berlin, in order to underline the unity of the church and its all-German character. Claiming that the "German Evangelical Church authority which operates from West Germany" planned to

use the meeting for "provocations," the regime declared that it would permit the congress to take place in some appropriate East German city, with West German delegates allowed to attend as guests.

Farm Problems

Adverse consequences of Ulbricht's all-out collectivization campaign last winter still plague the regime. Farmers are passively resisting attempts of officials to induce them to work collectively. More than 13,000 farmers are said to have fled the country during the first ten months of 1960, seriously depleting the already insufficient manpower supply in the countryside. Arson and illegal slaughter of farm animals reportedly are prevalent.

The regime apparently is counting on improved agitprop methods to induce farmers to work, and it seems reluctant to resort to the harsh methods it used to force collectivization.

Outlook

The East German regime appears to be reorganizing its party, state, and security forces for a political and economic advance some months hence, if and when Khrushchev would sanction such a move. The present leaders--Stoph, Neumann, and, above all, Ulbricht--are committed to hard-line procedures, although they are pragmatic rather than doctrinaire Communists. Rau and Premier Grotewohl, who are believed to have exercised a moderating force in past years, appear to have lost ground. The outlook for a protracted period of relaxation is therefore not encouraging.

The East German people, however, have been able to exercise a restraining influence on the regime, largely through their ability to flee the country through West Berlin. While in one sense this has acted as a safety valve for the regime

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by siphoning off those most dis-affected, it has also aggravated manpower problems and delayed economic development. In this situation, the regime can seek to halt escapes by imposing drastic controls on access to West Berlin--a policy which Ulbricht undoubtedly prefers--or

it can continue its expedient, zigzag policies, hoping to build up strength for an eventual crackdown at home and showdown with the West. The presence of strong Soviet forces will continue to prevent any serious explosion of popular unrest.

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