

CONTINUATION OF  
DISPATCH

CLASSIFICATION

DISPATCH SYMBOL AND NUMBER

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BERLIN COMMENTS ON NEW NATIONALIST PROGRAM ON OUTLOOK  
FOR EAST GERMANY ~~ON OUTLOOK~~  
the Central Intelligence Agency

### 1. THE POLITICAL LEADERSHIP

WALTER ULBRICHTS BIGGEST GAMBLE TO DATE - HIS HOPE FOR AN ECONOMIC UPSURGE IN EAST GERMANY NOW THAT THE WALL HAS EFFECTIVELY TERMINATED THE DRAIN OF VITAL MANPOWER - HAS BEEN A DISAPPOINTMENT. MORE THAN SEVEN MONTHS AFTER THE CLOSURE OF THE SECTOR BORDER EAST GERMANY IS CONFRONTED WITH MAJOR FOOD AND CONSUMER GOODS SHORTAGES. IT HAS BEEN FORCED TO REVISE THE 1962 ECONOMIC PLAN DOWNWARD SEVERAL TIMES. THERE IS GROWING DISCONTENT AMONG AGRICULTURAL AND INDUSTRIAL WORKERS AS WELL AS AMONG THE RANKS OF PARTY AND MASS ORGANIZATION FUNCTIONARIES WHO ARE BEING RIFFED AND FORCED BACK TO WORK IN FARM AND FACTORY.

DESPITE THIS LAMENTABLE PERFORMANCE, HOWEVER, ULBRICHT CONTINUES TO DISPLAY THE QUALITY WHICH HAS MADE HIM INDISPENSIBLE TO THE SOVIET UNSWERVING LOYALTY TO THE CPSU LINE. FURTHERMORE, HE IS AN IMPORTANT ASSET TO THE SOVIETS BECAUSE OF HIS MASTERY OF THE EAST GERMAN GOVERNMENT AND PARTY APPARATUS. THERE HAVE BEEN NO FIRM INDICATIONS OF ANY INTENTION ON THE PART OF THE SOVIETS TO DISCARD ULBRICHT, ALTHOUGH THE SOVIETS UNDOUBTEDLY FIND HIS POLITICAL REPULSIVENESS SOMEWHAT EMBARRASING AND PRESUMABLY WOULD BE PREPARED TO DISPOSE OF HIM TO PREVENT ANY SERIOUS LOSS OF SOVIET PRESTIGE. IT IS ALSO POSSIBLE THAT THE SOVIETS WOULD CONSIDER THE REMOVAL OF ULBRICHT FOR EITHER OR BOTH OF THE FOLLOWING TWO REASONS-

A/ A SOVIET CONCLUSION THAT ULBRICHT NO LONGER POSSESSED THE ABILITY TO MAINTAIN AN ECONOMICALLY AND POLITICALLY VIABLE EAST GERMAN STATE AS A USEFUL AND PRODUCING COMPONENT OF THE SOVIET BLOC.

B/ A SOVIET CONCLUSION, BASED ON LARGER INTERNATIONAL POLITICAL CONSIDERATIONS AND PLANS, THAT ULBRICHTS REMOVAL WOULD ADVANCE SOVIET POLICY IN THE GERMAN QUESTION BY MAKING EAST GERMANY AND ITS AIMS INTERNATIONALLY MORE ACCEPTABLE.

THE POTENTIAL DILEMMA FACE BY THE SOVIETS IN CONSIDERING ULBRICHTS REMOVAL IS THE NEED TO FIND A REPLACEMENT WHO COULD CONTRIBUTE MATERIALLY TO EAST GERMANY'S INTERNATIONAL ACCEPTABILITY BUT WHO AT THE SAME TIME WOULD STILL BE ABLE TO MAINTAIN THE NECESSARY INTERNAL PRESSURE AND TIGHT CONTROL.

IT IS OUR ESTIMATE THAT THERE IS NO OPPOSITION GROUPING WITHIN THE SED OR IN EAST GERMANY WELL-ORGANIZED ENOUGH TO TOPPLE ULBRICHT. WITH SOVIET SUPPORT AND AN EFFECTIVE, ALL-PERVADING INTERNAL SECURITY MECHANISM, ULBRICHT CAN MAINTAIN HIS POSITION AGAINST ANY OPPOSITIONAL ELEMENTS IN EAST GERMANY. SINCE THE DISPERSAL OF THE SCHIRDEWAN GROUP, IN EARLY 1958, THERE HAS BEEN NO EFFECTIVE CHALLENGE TO ULBRICHTS CONTROL OF THE SED. WITHIN THE PARTY TODAY, THERE IS NO INDIVIDUAL OR GROUP STRONG ENOUGH TO CHALLENGE ULBRICHTS LEADERSHIP.

IN THE EVENT OF ULBRICHTS DEMISE, IT IS NOT CLEAR WHO WOULD SUCCEED HIM. IN THE MONTHS IMMEDIATELY AFTER THE SECTOR BORDER CLOSING, IT WAS CLEAR THAT MOSCOW-TRAINED, SOVIET-ORIENTED ERICH HONECKER, CURRENTLY TOP EAST GERMAN SECURITY FUNCTIONARY, WAS PLAYING A LEADING ROLE. HONECKER, ALONG WITH KARL MEWIS AND ALFRED NEUMANN, MUST BE COUNTED AMONG THE LEADING PRO-ULBRICHT EXPONENTS OF A HARD LINE. IN RECENT MONTHS, AS EVIDENCE OF ECONOMIC DIFFICULTY HAS MOUNTED, A PROMINENT ECONOMIC POLICY FIGURE, BRUNO LEUSCHNER, HAS APPEARED TO BE PLAYING A LEADING ROLE. LEUSCHNER APPEARS TO BE PERSONA GRATA WITH THE SOVIETS AND, ON THE BASIS OF THE PUBLISHED MATERIAL OF THE 14TH PLENUM, LESS THAN AN ENTHUSIASTIC SUPPORTER

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USE PREVIOUS EDITION.

CLASSIFICATION

CONTINUED

PAGE NO.

EGBA

OF ULBRICHT. BECAUSE OF RECENT SEVERE ECONOMIC DIFFICULTIES, THE REPLACEMENT OF ULBRICHT BY A PERSON WITH DEMONSTRATED COMPETANCE IN THE ECONOMIC FIELD SHOULD NOT BE EXCLUDED. IF IT IS NECESSARY TO HAVE A FIGUREHEAD IN PLACE OF ULBRICHT, A POSSIBILITY WOULD BE THE OLD PARTY HACK, HERMANN MATERN. A FINAL POSSIBILITY, MENTIONED BY SOVIET SOURCES SEVERAL TIMES IN RECENT MONTHS, AND A MAN WHO HAS PLAYED AN INCREASINGLY PROMINENT ROLE IN THE GOVERNMENT, IS WILLI STOPH.

THERE IS SOME EVIDENCE OF DISSIDENCE WITHIN THE TOP SED LEADERSHIP. THERE HAVE BEEN RECENT INDICATIONS OF DIFFERENCES BETWEEN THE NEW PARTY-LINE ECONOMIC LEADERSHIP AND FUNCTIONARIES LESS WILLING TO TAMPER WITH THE ECONOMY CONCERNING A NUMBER OF ECONOMIC POLICIES, E.G. THE ADVISABILITY OF INCREASING IMPORTS TO HELP ALLEVIATE THE CURRENT EAST GERMAN FOOD AND CONSUMER GOODS SHORTAGE. THESE DIFFERENCES, HOWEVER, APPARENTLY DO NOT PORTEND ANY MAJOR SPLIT IN PARTY LEADERSHIP.

ON THE MEDIUM AND LOWER PARTY LEVELS, AS WELL AS AMONG FUNCTIONARIES OF THE MASS ORGANIZATIONS, THERE IS CURRENTLY CONSIDERABLE DISSATISFACTION BECAUSE OF THE RECENTLY-ANNOUNCED POLICY OF REDUCING THE ADMINISTRATIVE STAFFS OF THE PARTY AND MASS ORGANIZATIONS. FUNCTIONARIES REMOVED IN THE COURSE OF THIS CAMPAIGN ARE TO RETURN TO PRODUCTIVE WORK IN FIELD AND FACTORY AND WILL THUS LOSE PRIVILEGES CONNECTED WITH THEIR NEW CLASS EXISTENCE. NEVERTHELESS, THERE IS LITTLE CHANCE FOR ORGANIZED ACTIVE RESISTENCE CENTERING AROUND THIS DISGRUNTLED GROUP.

TO SUMMARIZE- THERE IS NO CLEAR EVIDENCE INDICATING ULBRICHT'S REMOVAL AT THIS TIME. IF HE WERE TO DIE HE WOULD PROBABLY BE SUCCEEDED BY SOMEONE WHO COULD BE TRUSTED TO CARRY ON MUCH AS ULBRICHT HAS. BASED UPON THE SUPPORT OF THE SOVIETS AND THAT OF THE EAST GERMAN SECURITY APPARATUS ULBRICHT CAN MAINTAIN HIS POSITION AGAINST ANY INTERNAL EAST GERMAN PRESSURES. THERE IS NO ORGANIZED OPPOSITION TO ULBRICHT WITHIN THE SED LEADERSHIP. A CERTAIN PERCENTAGE OF MEDIUM AND LOWER LEVEL PARTY AND MASS ORGANIZATION FUNCTIONARIES ARE DISGRUNTLED AT LOSING THEIR JOBS, BUT THE SCOPE OF THEIR DISAFFECTION CANNOT BE ACCURATELY ASSESSED AND IS PROBABLY SLIGHT.

## II. THE SECURITY APPARATUS

ULTIMATE RESPONSIBILITY FOR INTERNAL SECURITY IN EAST GERMANY CONTINUES TO REMAIN WITH THE SOVIET DIVISIONS STATIONED IN THAT COUNTRY. THE SOVIET PRESENCE IS FUNDAMENTAL TO THE CONFIDENT POSITION OF THE EAST GERMAN SECURITY AUTHORITIES. BASED UPON A CLOSELY-ORGANIZED AND WIDESPREAD INFORMANT SYSTEM, THE MINISTRY FOR STATE SECURITY IS BELIEVED TO BE ABLE TO DETECT AT AN EARLY STAGE ANY ATTEMPTS TO ORGANIZE MAJOR ACTION TO OVERTHROW THE GOVERNMENT /THERE IS NO EVIDENCE TO SUGGEST THAT ANY GROUP EXISTS AT PRESENT CAPABLE OF ORGANIZING SUCH AN EFFORT/. THE EAST GERMAN ARMED FORCES ARE MADE UP OF A LARGE PERCENTAGE OF POLITICAL OFFICERS WHO WOULD PROBABLY SUPPORT THE REGIME IN ALMOST ANY CONTINGENCY IN ORDER TO RETAIN THE PRIVILEGES THEY ENJOY. MANY ENLISTED MEN, ON THE OTHER HAND, ARE BELIEVED TO BE DISGRUNTLED AND APPEAR TO SUFFER FROM POOR MORALE. ACCORDING TO ONE RECENT REPORT, THE EAST GERMAN LEADERSHIP IS CONCERNED WITH THE LOW MORALE AND RELIABILITY OF ITS ARMED FORCES. THE RECENTLY-PROMULGATED COMPULSORY MILITARY SERVICE WILL UNDOUBTEDLY FURTHER INCREASE THIS PROBLEM.

IN THE EVENT OF INTERNAL DISORDERS ON A LOCAL SCALE, IT IS BELIEVED THAT THE EAST GERMAN SECURITY FORCES COULD HANDLE THE SITUATION.

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CONTINUATION OF  
DISPATCH

CLASSIFICATION

DISPATCH SYMBOL AND NUMBER

EGBA

IN THE CURRENT POLITICAL CLIMATE IN EAST GERMANY, IT IS BY NO MEANS CERTAIN THAT ANY CIVIL DISTURBANCE WHICH BECOMES WIDELY KNOWN WILL REMAIN LOCAL, AND THE POSSIBILITY THAT SOVIET FORCES MIGHT HAVE TO BE CALLED ON TO HELP RESTORE ORDER SHOULD NOT BE EXCLUDED. THE EAST GERMAN FORMATIONS, MILITARY AND POLICE, DO NOT HAVE THE MORALE WHICH THEIR USE IN AN OFFENSIVE ROLE, AGAINST THE WEST GERMANS OR ALLIED UNITS, WOULD REQUIRE.

### III. THE ECONOMY

EAST GERMANY'S OVERRIDING ECONOMIC OBJECTIVE IN INDUSTRY AND AGRICULTURE HAS REMAINED THE SAME SINCE THE ERECTION OF THE BERLIN WALL, I.E., TO INCREASE PRODUCTION. THE EMPHASIS ON THIS OBJECTIVE IS NOW GREATER THAN EVER. DESPITE THE FACT THAT THE LOSS OF MANPOWER THROUGH THE REFUGEE FLOW HAS NOW PRACTICALLY STOPPED, PRODUCTIVITY HAS NOT INCREASED AND THE ECONOMY APPEARS TO BE IN SERIOUS TROUBLE. THIS FACT, COUPLED WITH THE DISLOCATIONS RESULTING FROM THE ERECTION OF THE WALL AND THE OVERRIDING PREOCCUPATION WITH POLITICAL AND MILITARY PROBLEMS AT THE EXPENSE OF THE ECONOMY HAS LED TO PRESSURE ON THE WORKING FORCE WHICH WOULD HAVE BEEN UNTHINKABLE IN THE DAYS WHEN FLIGHT WAS STILL POSSIBLE.

MAJOR TRENDS IN INDUSTRY SINCE 13 AUGUST HAVE BEEN THE FOLLOWING:

A/ TO INCREASE PRODUCTION BOTH IN INDUSTRY AND AGRICULTURE WITHOUT INCREASING THE WORKERS PAY. THIS MEASURE, IN MANY INSTANCES CARRIED OUT IN AN ARBITRARY AND PUNITIVE MANNER, IS DESIGNED TO COMBAT WIDESPREAD PASSIVE RESISTANCE BY THE LABOR FORCE AND MEET BLOC-ASSIGNED ECONOMIC GOALS. THE POTENTIAL CONFLICTS OF THE PRODUCTIVITY DRIVE, WHICH REQUIRES MORE WORK, LESS PAY OR NORM INCREASES, IS AN EXPLOSIVE FACTOR AND COULD CAUSE STRIKES. HOWEVER, IN INSTITUTING THE NEW NORMS AND PAY ADJUSTMENTS, THE REGIME WILL PROCEED SLOWLY AND STOP SHORT OF THE POINT WHERE THE LABOR FORCE MIGHT RESORT TO ACTS OF DESPARATE

B/ IN AGRICULTURE THE TREND HAS BEEN TO ACCELERATE THE COLLECTIVIZATION OF FARMS AND TO REDUCE THE AMOUNT OF LAND AND LIVESTOCK PRIVATELY OWNED. IN ADDITION, THE AMOUNT OF AGRICULTURAL PRODUCTS MADE AVAILABLE FOR LOCAL CONSUMPTION IS BEING MADE DEPENDENT ON FULFILLMENT OF AGRICULTURAL NORMS IN THAT AREA. IN OTHER WORDS, IN AN ATTEMPT TO BOLSTER AGRICULTURAL PRODUCTION, THE PROBLEM IS BEING MADE A MATTER OF LOCAL RESPONSIBILITY TO DRAMATIZE THE FACT THAT ONLY THOSE WHO PRODUCE WILL EAT. THERE ARE ALMOST NO INDICATIONS THAT THE SERIOUS EAST GERMAN AGRICULTURAL PROBLEM IS DIMINISHING.

C/ O BOLSTER PRODUCTION, BOTH IN INDUSTRY AND AGRICULTURE, LARGE NUMBERS OF FUNCTIONARIES FROM GOVERNMENT AND PARTY OFFICES ARE BEING REASSIGNED TO THE FACTORIES AND COLLECTIVE FARMS. THE OBJECTIVES OF THIS MOVE ARE TO FILL MANPOWER SHORTAGES, RAISE THE ELAN AND IDEOLOGICAL LEVEL OF THE FACTORIES AND FARMS AND TO FORESTALL AND NIP IN THE BUD ANY RESISTANCE, PASSIVE OR OTHERWISE, WHICH NOW EXISTS OR MAY ARISE IN THE FUTURE. AS THE FUNCTIONARIES AFFECTED ARE ALMOST UNANIMOUSLY DISMAYED BY THIS MOVE, IT WILL PROBABLY HAVE LITTLE EFFECT OTHER THAN TO ADD UNWILLING EXTRA HANDS WHERE THEY MAY BE NEEDED.

D/ IN INDUSTRIAL PRODUCTION, THERE IS NOW AN OPEN ABANDONMENT OF THE PROMISE OF INCREASING CONSUMER GOODS AND THE TREND IS TO CHANNEL INVESTMENT INTO HEAVY INDUSTRY AND INDUSTRIAL AREAS DEVOTED LARGELY TO EXPORT. THE DEEMPHASIS OF CONSUMER GOODS PRODUCTION AND NEW EMPHASIS ON PRODUCTION OF PRODUCER GOODS FOR THE BLOC MEANS TOTAL ABANDONMENT OF THE GOAL OF MATCHING THE FEDREP IN STANDARD OF LIVING. IT ALSO REFLECTS EAST GERMAN ATTEMPTS TO MINIMIZE DEPENDENCE ON INTERZONAL TRADE.

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1402 53a

USE PREVIOUS EDITION.

CLASSIFICATION

CONTINUED

PAGE NO.

SINCE 13 AUGUST 1961, ADDITIONAL PRESSURE HAS ALSO BEEN BROUGHT TO BEAR ON THE FARMERS. A CAMPAIGN HAS BEEN UNDERWAY AGAINST EXPLOITATION AT PRIVATE LIVESTOCK AND SMALL PLOTS FOR PERSONAL USE. MORE RIGID COLLECTIVIZATION IS BEING CALLED FOR. IN AN EFFORT TO INCREASE THE GREATLY LAGGING AGRICULTURAL PRODUCTION AND TO RAISE THE IDEOLOGICAL LEVEL OF THE COLLECTIVE FARMERS, HUNDREDS OF AGRICULTURAL SPECIALISTS AND POLITICAL FUNCTIONARIES ARE BEING ASSIGNED TO WORK DIRECTLY ON THE FARMS. THESE MEASURES OFFER LITTLE HOPE OF ACHIEVING THE DESIRED INCREASE IN AGRICULTURAL PRODUCTION. THERE HAS BEEN CONSIDERABLE EVIDENCE OF UNORGANIZED ANTI-REGIME ACTIVITY AMONG THE RURAL POPULATION, ESPECIALLY OF BARN-BURNING, PREMATURE SLAUGHTER OF LIVESTOCK, AND IMPROPER FEEDING OF LIVESTOCK.

THERE HAS BEEN CONSIDERABLE GRUMBING AMONG THE PROFESSIONAL CLASSES INCLUDING COMPLAINTS ABOUT THE SECTOR BORDER WALL AND SPECIFIC OBJECTIONS THAT THE SUPPLY OF SCIENTIFIC LITERATURE FROM THE WEST IS ATTEMPTING TO FORCE THEM THROUGH.

TO ALLOW ITS ANNOUNCED ECONOMIC GOALS TO GO BY THE BOARD WITHOUT DISCONTENT CAN BE CONTAINED, IN THE LONG RUN, IF THE REGIME IS WILLING TOWARD ORGANIZED REVOLT BY THE WORKERS AND IT IS BELIEVED THAT THEIR TOWARD WORK. THERE IS LITTLE EVIDENCE OF A SIGNIFICANT TENDENCY WORKERS INHERENT RESPECT FOR AUTHORITY AND AUTOMATION-LIKE ATTITUDE HAS MANAGED TO AVOID SERIOUS TROUBLE SO FAR BECAUSE OF THE GERMAN SOME INSTANCES OF ACTUAL SABOTAGE. ON THE WHOLE, HOWEVER, THE SED SLOW-DOWNS, INCREASING NUMBERS OF REJECTS IN PRODUCTION, AND EVEN DELIBERATE QUALITY. THERE HAVE BEEN REPORTS OF ISOLATED STRIKES, DELIBERATE AND THE FOOD SERVED THEM IN FACTORY CANTEENS IS OF INCREASINGLY POOR IN NATIONALIZED INDUSTRY. FOOD SHORTAGES PLAGUE THE WORKERS FAMILIES PRODUCTION NORMS ARE BEING INCREASED AND CUTS CAREFULLY INTRODUCED THE WORKERS ARE UNDER PRESSURE TO PRODUCE MORE FOR THE SAME PAY.

WITH THE ERECTION OF THE SECTOR BORDER WALL THE EAST GERMAN POPULATION CAN NO LONGER ESCAPE REGIME PRESSURES BY FLEEING TO THE WEST. CONFIDANT THAT ITS VICTIMS CAN NO LONGER ESCAPE, THE SED LEADERSHIP HAS BROUGHT INCREASED PRESSURE TO BEAR AGAINST ALL MAJOR ELEMENTS OF THE POPULATION.

IV. THE POPULACE

BEING FAR FROM SELF-SUFFICIENT ECONOMICALLY, EAST GERMAN MUST TRADE TO SURVIVE. IN FALL 1960, WHEN THE FEDREP THREATENED CANCELLATION OF THE 12T, EAST GERMAN LEADERS WERE ALARMED TO REALIZE THE DEGREE TO WHICH THEIR ECONOMY DEPENDS ON, AND COULD BE HURT BY, THE FEDREP. SINCE THAT TIME, THE TREND HAS BEEN TO FUSE THE EAST GERMAN ECONOMY WITH THAT OF THE USSR AND THE BLOC. AFTER INITIAL FRANTIC EFFORTS TO EFFECT A RAPID CHANGE-OVER ON A LARGE SCALE, IT SOON BECAME APPARENT THAT A SIGNIFICANT DEGREE OF DEPENDENCE ON 12T WOULD CONTINUE FOR SEVERAL YEARS. THE BLOC WAS UNABLE TO SUPPLY EAST GERMAN NEEDS EITHER IN THE QUANTITY OR QUALITY REQUIRED, NOR WAS THE EAST GERMAN ECONOMY ABLE TO ADAPT TO SOVIET INDUSTRIAL STANDARDS IN SUCH A SHORT PERIOD OF TIME. NEVERTHELESS, SOME ADJUSTMENT AND PROGRESS WAS EFFECTED IN THIS DIRECTION AND THE PROCESS OF GREATER FUSION WITH THE SOV BLOC ECONOMY CONTINUES. THE RECENT ESTABLISHMENT OF THE EAST GERMAN TRADING FIRM TECHNOKOMMERS, DESIGNED TO CIRCUMVENT COMMON MARKET TARIFFS, IS AN ILLUSTRATION OF THE CURRENT TREND TO MELD THE EAST GERMAN ECONOMY WITH THAT OF THE BLOC AND, AT THE SAME TIME, TO TAKE ADVANTAGE OF 12T. SINCE THE RECEIPT LEIPZIG FAIR, THE CHANCES FOR A WESTERN ECONOMIC BOYCOTT OF EAST GERMAN APPEAR SLIM, BARRING ADDITIONAL POLITICAL PRESSURES FROM THE BLOC WHICH WOULD FACILITATE SUCH SANCTIONS. THE RECENT POST-PONEMENT FOR ONE YEAR OF THE SCHEDULED BALANCING OF ACCOUNTS ON 12T INDICATES THAT EAST GERMAN CAN RELY ON RELATIVELY UNDISTURBED 12T, WHILE FURTHER CONSOLIDATING ITS ECONOMY WITH THE BLOC, PROVIDED NO FURTHER SERIOUS POLITICAL OFFENSES AGAINST THE FEDERAL REPUBLIC ARE COMMITTED.

CONTINUATION OF  
DISPATCH

CLASSIFICATION

DISPATCH SYMBOL AND NUMBER

EGBA-

BEING CURTAILED AND TRAVEL TO THE WEST FOR PROFESSIONAL MEETINGS AND CONGRESSES IS NO LONGER PERMITTED. ISOLATED INSTANCES OF ANTI-REGIME STATEMENTS BY DOCTORS AND TEACHERS HAVE BEEN REPORTED. IN GENERAL, IT APPEARS THAT THE REGIME IS UNABLE TO SOLICIT ANY BROAD SUPPORT FROM THE PROFESSIONAL CLASSES.

PARTY AND GOVERNMENT OFFICIALS GENERALLY CONTINUE TO SUPPORT THE REGIME. SOME DISCONTENT HAS BEEN NOTED AMONG EAST BERLIN GOVERNMENT AND PARTY OFFICIALS, WHO COMPLAIN BECAUSE THEY CAN NO LONGER PURCHASE LUXURY ITEMS FROM WEST BERLIN OR VISIT RELATIVES LIVING THERE. OFFICIALS HAVE ALSO BEEN ADVERSELY AFFECTED BY REALIZATION THAT THE WALL AND OTHER WORKS OF THE REGIME ARE REGARDED BY THE POPULATION WITH THINLY VEILED HOSTILITY. HOWEVER, THE DESIRE TO MAINTAIN THEIR JOBS, NEW CLASS STATUS AND PRIVILEGES RULE OUT ANY SERIOUS CONSIDERATION OF THIS GROUP AS A CENTER OF ANTI-REGIME RESISTANCE.

THE YOUTH AND STUDENT GROUPS ARE MORE ANTI-REGIME THAN THE AVERAGE. HOWEVER, THOUGH THEY WERE OPPOSED TO THE RECENTLY-PROMULGATED CONSCRIPTION LAW, THERE HAVE BEEN ONLY A FEW REPORTS OF SCATTERED RESISTANCE, MAINLY IN THE FORM OF REFUSAL TO HEED CONSCRIPTION NOTICES. THE REGIMES SPEEDY ACTION IN SUCH CASES HAS EFFECTIVELY FORESTALLED THE DEVELOPMENT OF ANY CAMPAIGN TO BOYCOTT COMPULSORY MILITARY TRAINING. THERE HAVE BEEN A NUMBER OF REPORTS OF ANTI-REGIME DEMONSTRATIONS IN SCHOOL CLASSES, BUT HERE AGAIN THE SECURITY FORCES HAVE MOVED SWIFTLY AND DEALT SEVERELY WITH POTENTIAL TROUBLE-MAKERS. LACKING A RALLYING POINT AND ORGANIZATION, EAST GERMAN YOUTH ARE NOT ABLE TO PRESENT A SERIOUS CHALLENGE TO THE STABILITY OF THE EAST GERMAN REGIME.

IN SUMMARY, THE EAST GERMAN POPULACE IS DISSATISFIED WITH THE SED REGIME. POPULAR MORALE HAS SUFFERED GREATLY BY THE SEAL-OFF OF WEST BERLIN. THE RESULT HAS BEEN AN INCREASING FEELING OF HOPELESSNESS /AS DEMONSTRATED BY THE INCREASE IN THE SUICIDE RATE, AMONG OTHER EVIDENCE/ IN ALL LEVELS OF THE POPULATION. THERE HAS BEEN SOME EVIDENCE OF PASSIVE RESISTANCE, RESTLESSNESS AND GRUMBLING, AND THE NUMBER OF PEOPLE WHO GET IN TROUBLE WITH THE AUTHORITIES ON THEIR OWN INITIATIVE APPEARS TO BE INCREASING. ISOLATED INSTANCES OF ANTI-REGIME STATEMENTS, SLOW-DOWN, STRIKES, ARSON AND OTHER ANTI-REGIME ACTIONS CONTINUE TO BE REPORTED REGULARLY, AS DO ARRESTS FOR SUCH ACTIVITY, BUT THERE IS NO EVIDENCE OF ORGANIZED OPPOSITION. THE PRESENCE OF THE SOVIET DIVISIONS IN EAST GERMANY, THE MEMORY OF 17 JUNE 1953, THE TIGHT CONTROL OF THE EAST GERMAN SECURITY FORCES, COUPLED WITH THE LETHARGY AND FEELING OF HOPELESSNESS OF THE POPULATION, MAKE A GENERAL UPRISING AT THIS TIME UNLIKELY.

#### V. EFFECTS OF VARIOUS CONTINGENCIES

A. A SEPARATE PEACE TREATY OR EVEN A DIRECT THREAT TO THE WESTERN PRESENCE IN BERLIN WOULD, IN ITSELF, NOT CAUSE A SIGNIFICANT CHANGE IN THE INTERNAL SECURITY SITUATION IN EAST GERMANY. IT IS LIKELY THAT IN PREPARATION FOR SUCH A THREAT THE SOVIETS AND EAST GERMANS WOULD INCREASE INTERNAL SECURITY MEASURES IN EAST GERMANY AT LEAST TEMPORARILY AS A SPECIAL PRECAUTIONARY MEASURE. THE EFFECT OF SUCH INCREASED MEASURES WOULD BE TO REDUCE FURTHER THE CHANCE OF UNREST UNDER THE CIRCUMSTANCES DESCRIBED.

B. WESTERN ECONOMIC SANCTIONS AGAINST EAST GERMANY WOULD HAVE RELATIVELY LITTLE IMMEDIATE IMPACT UPON THE EAST GERMAN INTERNAL SECURITY SITUATION. IN THE LONG RUN, TO THE EXTENT THAT SUCH RESTRICTIONS WOULD CAUSE THE CONSUMER GOODS SITUATION TO DETERIORATE THERE MAY BE AN INCREASE IN ALREADY EXISTING POPULAR DISCONTENT OVER LACK OF

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USE PREVIOUS EDITION.

CLASSIFICATION

CONTINUED

PAGE NO.

CONTINUATION OF  
DISPATCH

CLASSIFICATION

DISPATCH SYMBOL AND NUMBER

EGBA

ADEQUATE CONSUMER GOODS. THE NATURE OF THE IMPACT UPON EAST GERMAN INTERNAL SECURITY OF LIMITED MILITARY OPERATIONS TO MAINTAIN GROUND OR AIR ACCESS IS DIFFICULT TO PREDICT BECAUSE IT DEPENDS IN PART UPON THE FORM AND EXTENT OF THE MILITARY OPERATIONS AND THE POPULAR EAST GERMAN INTERPRETATION OF THEIR PURPOSE AND SIGNIFICANCE. IF THE MILITARY ACTION INVOLVES GROUND OPERATIONS THERE IS A STRONG POSSIBILITY THAT MANY EAST GERMANS WILL BE PROMPTED TO TAKE ADVANTAGE OF WHAT THEY WOULD CONSIDER A MASS ESCAPE OPPORTUNITY. EFFORTS BY SECURITY ORGANS IN THE REAR TO PREVENT BREAK-OUTS EITHER NEAR THE SCENE OF MILITARY OPERATIONS OR ELSEWHERE COULD RESULT IN LOCALIZED OPEN RESISTANCE ACTIONS WHICH MIGHT, UNDER CERTAIN CIRCUMSTANCES, ESCALATE INTO GENERAL RESISTANCE. A WESTERN ATTEMPT TO ORGANIZE OR STIMULATE RESISTANCE WITHOUT ASSOCIATED MILITARY OPERATIONS OR A CREDIBLE AND PLAUSIBLE PROMISE OF THEIR EARLY INITIATION WOULD NOT BE SUCCESSFUL. WHILE SUCH ATTEMPTS MIGHT IGNITE MORE VOLATILE ELEMENTS OF THE POPULATION TO AN INCREASING NUMBER OF LOCAL ACTS OF DEFIANCE AND RESISTANCE, THESE WOULD NOT BE BEYOND THE CONTROL OF INTERNAL SECURITY FORCES.

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3-60  
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USE PREVIOUS EDITION

CLASSIFICATION

PAGE NO

CONTINUED