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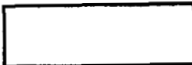
10 August 1961

MEMORANDUM

SUBJECT: THE EAST GERMAN REFUGEES

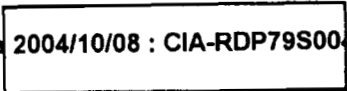
Composition of Refugee Flow

1. West Germany has registered more than 2,600,000 refugees from East Germany since 1949 (and a total, including expellees, of more than 3,500,000 since the end of World War II.) The flow has included persons of all ages and classes, but since September, 1949, when West Germany first began compiling detailed statistics, almost 50 percent have been less than 25 years old, and another 25 percent in the 25-45 age bracket.

2. From 1956 through 1959, the refugee flow declined as a result of improved economic conditions in East Germany and a sense of political stabilization. The flow to the West, moreover, was counteracted by a growing West-to-East migration of returnees and West Germans, estimated to have reached its peak at about 62,000 in 1959.  statistics compiled by the East German regime for the period 1951-59 reportedly show a total West-to-East migration of 520,423 but admit an East-to-West flow of 2,286,417. In 1960,

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State Department review completed



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increased international tensions and the East German collectivization drive stimulated an increased flow of refugees and sharply curtailed the number of returnees. Published East German statistics acknowledge a steady slow decline of the total population from 19,066,000 in 1948 to approximately 17,200,000 at the end of last year.

3. So far this year the volume of refugees is the highest since 1953. The high proportion of professionals, engineers, and intellectuals has been of particular concern to the regime. From 1954 through 1960, the refugees included 4,334 doctors and dentists, 15,536 engineers and technicians, 738 professors, 15,885 other teachers, and more than 11,700 other college graduates. In addition, industrial managers have been leaving East Germany in significant numbers, many of them Socialist Unity Party (SED) members of long standing. The proportion of young people aged 21-25 has risen from about 13 percent throughout 1960 to 15.6 percent in May, 1961, the last month for which this breakdown is presently available. The percentage of males of military age appears unusually high. Except for this shift in age groups, the composition of the refugee flow has remained basically the same from year to year. Economic status, family status, and religion of the refugees show roughly the same proportions as the total East German population.

4. Some individuals have managed to accumulate savings in West Berlin with a view to eventual flight. Others depend on reaching relatives or friends in West Germany. The abundance of job opportunities in West Germany has generally permitted all to earn a livelihood.

Motivation of Refugees

5. In general, the refugee leaves the Soviet Zone because he has grievances against the Communist system. In the past, this usually meant feelings of oppression and frustration over political and economic conditions. For example, the children of professional men have been denied equal access to higher education and subjected to other discriminations because of their "bourgeois" origin. In recent weeks, however, an additional element seems to have been the developing crisis over West Berlin, which has led to widespread fear not only of war but also that chances for escape might soon disappear. With the start of school vacations on 8 July the refugee flow showed a marked increase. At the same time popular resentment was building up against unsatisfactory living conditions in East Germany--sporadic food shortages and undesirable housing--and the regime's failure to live up to its promises to improve these conditions. Prospects of better conditions in West Germany were attractive. American officials

in Berlin have noted that even among East German party and Government circles a feeling exists that the economic reorganization announced in July offers little prospect of solving the large and basic economic problems.

Effect on East Germany

6. The steady drain of technical and managerial skills and of manpower, added to the regime's overall economic difficulties stemming from shortages of capital and raw materials, have forced curtailment of the annual plan twice in the past six months and seriously reduced the possibility that the East German economy will attain the goals of the Seven Year Plan ending in 1965. The present level of escapes, if continued, would mean a loss of about 1,400,000 workers out of a labor force of approximately 8,400,000, between 1958 and 1965. This would require further cuts in production goals, although not necessarily in per capita productivity or consumption.

7. The flight of medical men has obstructed the government program of free medical care for all its citizens. It has also hampered the training of new East German doctors. Such devices as importing Bulgarian doctors to fill the places of East German escapees have proved unsatisfactory both because of their lower level of medical skill and because of language difficulties. The escape of professors and teachers has lowered educational standards.

8. In political terms, the picture is embarrassing for the regime. The loss of population points up the regime's unpopularity, its inability to control its own people, and mocks the declared East German goal of overtaking the West German standard of living. To attempt, as Ulbricht is doing, to blame the flow on West German and Allied "recruiting" and "head hunting" has generally invited ridicule among the East German populace.

East German Countermeasures

9. To date, the East German regime has relied upon scare propaganda--including show trials--and an intensification of normal police controls in its effort to reduce the refugee flow. Even these intensified controls have been applied only sporadically, and mainly between East Germany and West Berlin. On the East - West Berlin sector border, police measures have been minimal. However, the regime has instituted new measures in an attempt to force the 54,000 "border crossers"--East Germans and East Berliners who work in West Berlin--to take jobs in the East. This has only increased the proportion of border crossers among the refugees. Apart from severe economic sanctions, police action has been directed mainly against those 13,500 border crossers who live in areas of the East Zone adjacent to West Berlin.

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10. There is some evidence that the regime is considering harsher measures to reduce the flow. [REDACTED]

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[redacted] East German propaganda on 10 August suggested that a decree promulgating new and more vigorous control measures would be forthcoming from the meeting of the East German Peoples Chamber on 11 August.

Effect on Ulbricht and Khrushchev

11. East German leader Ulbricht is faced with the dilemma that the actions necessary to halt the refugee flow would in all likelihood cause a sharp and dangerous rise in public discontent. The East German population is already openly critical of the bloc's policies on West Berlin and internal conditions in East Germany. However, it remains unlikely that the population would presently rise up against the Communists unless even more repressive political, economic and security policies are instituted and the escape route through West Berlin closed. Ulbricht, who has successfully weathered Soviet criticism of past failures in East German policies, probably had to account at the 3-5 August

- 6 -

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Warsaw Pact meeting for the present situation and may have received instructions as yet to be implemented.

12. Ambassador Thompson in Moscow considers that the refugee flow is a source of embarrassment to Khrushchev. Apart from possible adverse consequences on the bloc's economy, Khrushchev doubtless is concerned at the great publicity that the subject has received in the Western press and feels that his bargaining position is thereby weakened. While such considerations might lead him to endorse more repressive East German measures to reduce the flow, they may also increase his desire for an early agreement to resume negotiations on a Berlin settlement.