

CONFIDENTIAL
SECRET

COPY NO. 71

OCI NO. 0287/61

6 July 1961

CURRENT INTELLIGENCE WEEKLY SUMMARY



CENTRAL INTELLIGENCE AGENCY

OFFICE OF CURRENT INTELLIGENCE

DOCUMENT NO. 11
NO CHANGE IN CLASS.
 DECLASSIFIED
CLASS. CHANGED TO: TS S © 25X1
NEXT REVIEW DATE: 1990
AUTH: HR 70-2
DATE: 20/5/80

SECRET
CONFIDENTIAL

[Redacted]
[Redacted] 25X1
[Redacted] 25X1
[Redacted] 79-927 BOX 79-927
[Redacted] 25X1
[Redacted] 25X1
[Redacted] 25X1

State Department review completed

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

EAST GERMAN DISCONTENT

As a result of Soviet prodding, party leader Ulbricht since December has followed certain "soft" policies toward the East German populace and has refrained for the most part from harassing West Berlin. The motives are to reduce public antipathy to his regime, to improve its image abroad, and especially to reduce the flow of refugees to West Berlin. He has encouraged East Germans to air their grievances by submitting petitions to the Council of State, which he heads, and has removed unpopular and ineffective officials on charges of "sectarianism." Above all, he gave the people reason to hope for a steady improvement of their unsatisfactory standard of living as well as for a diminution of party demands on professional men and intellectuals.

Whatever benefits may have accrued to the regime in terms of a less restive population, however, appear to have dissipated quickly with the USSR's current demands for a peace treaty. The people now are deeply concerned that a separate Soviet - East German treaty will

end hopes for German reunification, curb East German access to West Berlin, and mean the indefinite continuation of their drab existence.

Contributing to the change of public attitudes has been a coincidental period of sharp --although probably short-term --food supply difficulties. The US Mission in Berlin reports that, as a result of the unsatisfactory food situation and the threat to West Berlin, the population reflects a mood of "profound discouragement." Middle- and lower-level functionaries of the Socialist Unity party (SED) are openly blaming Ulbricht's collectivization policies for shortages of meat and dairy products. Industrial workers are said to be increasingly unresponsive to SED propaganda, because of the regime's inability to satisfy their demands for improved supplies of foodstuffs and consumer goods.

The mission also notes that a question put to Ulbricht by workers at the important Buna chemical plant on 26 June

SECRET

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

indicated considerable anxiety as to why the USSR and East Germany were forcing the peace treaty issue at this time.

Ulbricht's "soft" policies, moreover, have not reduced the refugee flow: 19,198 East Germans fled this June, compared with 17,888 last June. The combined flow to West Berlin and West Germany during the first six months of 1961 totaled 103,159, as against 88,506 in the same period last year.

Ulbricht and his henchmen are seeking to convince the population through numerous public statements that the regime is here to stay, will inevitably be recognized by the Western powers, and will achieve international recognition as a United Nations member.

In an effort to alleviate discontent, the SED central committee plenum of 3-4 July issued a communiqué calling for priority attention to measures for improving the standard of living, such as "guaranteeing supplies of foodstuffs, industrial consumer goods, dwellings, and services to people."

The plenum also made major changes in the regime's top economic planning apparatus. Politburo member Bruno Leuschner has relinquished the chairmanship of the State Planning Commission, but he remains a deputy premier with the task of coordinating economic planning. As new chairman of the planning commission, Karl Mewis, former SED leader in Rostock District, will be responsible for short-term planning--a highly vulnerable spot.

Politburo member Alfred Neumann, who has had over-all charge of party cadre matters since 1957, is to head the newly created People's Economic Council--in charge of long-term planning at the Council of Ministers level. Erich Apel has moved from chief of the politburo's economic commission to become SED central committee secretary for economic affairs; he was also made a candidate member of the politburo.

Neither Mewis nor Neumann has had previous high-level economic planning experience. They apparently are to use their administrative talents along with Apel and Leuschner to make the economy workable. 25X1

25X1

SECRET