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CENTRAL INTELLIGENCE AGENCY

13 December 1961

MEMORANDUM FOR THE DIRECTOR

SUBJECT: Unrest in East Germany

1. In past estimates we have judged that a general popular uprising in East Germany was unlikely, except perhaps \* in case of Western military action within East Germany.
During recent months, however, various factors have considerably increased the likelihood of spontaneous local disorders. More widespread popular uprisings developing from such local incidents are, as noted in previous estimates, essentially unpredictable.
But it is our current judgment that, unless strong measures are undertaken by the regime or by Moscow to reverse deteriorating

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<sup>\*</sup> See SNIE 12.4-61, "Stability of East Germany in the Berlin Crisis," dated 15 August 1961. See also paragraph 8 of Minutes of 26 October USIB meeting, which took account of developments since the closing of the Berlin sector border. Both these papers were geared to the contingencies of heightened international tension and limited Western military action in connection with the Berlin situation.

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tendencies in the economy and in the popular mood, there will be an increasing possibility that such local outbreaks will develop into an uprising of considerable scale.

2. This judgment is based on a number of recent developments on the internal scene. The general popular mood, characterized since 13 August by feelings of greater desperation and greater hopelessness, has continued gradually to worsen. The most extreme manifestations have occurred among the youth, and all the draconic steps employed by the regime against them have not prevented incidents of open defiance from continuing to occur, with some support from teachers, especially in secondary schools and universities. Disaffection is also widespread among the professional classes and among the rural populace. The attitudes of the latter groups are causing difficulties in agricultural production and threatening public order in the countryside. Contributing to the deterioration in the public mood are growing shortages of food and needed consumer items, intensified by continued hoarding - shortages which will get steadily worse in the next few months, both in rural and urban areas. Supplies of meat, milk, and butter will reach their low point in the early spring.

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3. Though popular morale since 13 August continues at a low ebb in the cities, the situation so far is less critical there than in the countryside. The regime is faced with growing labor shortages, and with a resentful attitude on the part of the industrial workers, who are openly recalcitrant towards post-13 August economic programs, which they feel are impossible to fulfill. The US Mission in Berlin reported in October that it foresaw the strong possibility in coming months of a general breakdown in labor morale which could oblige the regime to impose even more stringent controls over the populace than heretofore. Ulbricht's reassertion, at the November party plenum, of a rigorous, unbending internal line will serve to heighten this morale problem still further. Moreover, difficulties in industrial production point up a broader problem of the feasibility of its economic plans, which have already been scaled down and will have to be further revised unless substantial assistance is provided by the Bloc countries.

4. One of the chief problems is the morale within the SED itself. Though the cadres were exhilarated for a time at the success of the sector border closing and the lack of Western response, this enthusiasm was soon dissipated when problems of

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implementing the harsh internal measures initiated after 13 August revived longstanding resentments among local party officials over unrealistic or unpopular regime policies. On top of this, these party cadres had been led to believe that a peace treaty would be signed before the end of the year, and they have been deeply disappointed by Khrushchev's lifting of the deadline at the 22nd Soviet Party Congress. Moreover, tho SED propaganda apparatus evidenced great difficulty immediately after the Congress in devising a plausible explanation of the denigration of Stalin and its local implications. Provincial and local party officials were clearly confused and in dire need of an unequivocal line which they could use to answer incessant queries from the rank and file and the local populace concerning the implications of the 22nd Congress for Ulbricht and his own "personality cult" in East Germany.

5. Problems of this magnitude might be regarded by some Communist leaders as cause for a foreign policy of reduced tensions in order to lessen the elements of strain in the internal situation. This has never been Ulbricht's way; he has consistently preferred to react to any doubts about the stability of his regime or his own personal position with crushing demonstrations of authority. The problems described above have

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apparently led him to harden his public attitude on internal policy and on the Berlin problem in order to sustain a sense of momentum toward a successful outcome of the crisis. We expect this pattern to continue; Ulbricht will point to internal instability as an argument for further forward action, and any temporary abatement of Communist pressure will be the result, not of his inclinations, but of the breader calculations of Moscow.

6. Ulbricht himself presents somewhat of a dilemma for Moscow. With his essentially Stalinist tendencies he is a dubious asset at the present time when a radical change in internal policy would seem to be indicated, but on the other hand his removal might well have disastrous consequences for the SED. For the latter reason, we consider it highly unlikely that the Soviets will remove him at the present time, though there are some indications that they may have begun a process of preparation for his eventual replacement. Such a process, if readily apparent to the populace, would serve to counteract the current discontent in the popular mood by arousing hopes of basic changes for the better. So far, however, the evidence of such a process is tenuous, and Ulbricht appears to be exercising

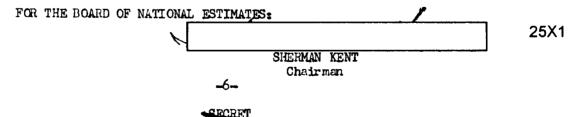
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his usual authoritative leadership. He now claims to have been one of the original advocates of de-Stalinization, and he has received renewed adulation, after an initial period of confusion, from the other party leaders.

7. In sum, a number of the ingredients of revolt are present in East Germany. So far, it is true, there has been no sign of any generally organized opposition, though there have been various local protest demonstrations. Some of the factors of instability, however, have increased in importance since mid-August, and food shortages will reach their worst point in coming months. In addition, Ulbricht's reassertion of his hard-line internal policies is hardly calculated to encourage the outlook of the workers -- the key element in the classic pattern of revolt, and, to quote SNIE 12.4-61, "the group which could most easily generate general unrest in the population." As we have observed many times in the past, the enormous concentration of Soviet military power in East Germany will continue to act as a strong deterrent to popular outbreaks. At this point, however, there can be no assurance that something will not occur despite this deterrent -- even though it would almost certainly be crushed quickly and effectively by Soviet forces.



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