

DISPATCH		EVAL CLASSIFICATION	DISPATCH SYMBOL AND NO.
TO	INFO	DISPATCH FILE NO.	
FROM	Chief of Base, Berlin	DATE	6 November 1961
SUBJECT		RE "G3" - (CHECK "T" ONE)	
ACTION REQUIRED		MARKED FOR INDEXING	
For Your Information.		NO INDEXING REQUIRED	
REFERENCES		INDEXING CAN BE ADDED BY QUALIFIED HQ. DESK ONLY	
<p>This document has been approved for release through the HISTORICAL REVIEW PROGRAM of the Central Intelligence Agency.</p>			
<p>2. In the weeks since the August 13th seal-off of the sector border, the East German regime has taken further steps to break off any but the most essential contacts with the West and to transform East Germany from the most Western-spirited Soviet satellite into a state governed on distinctly Stalinist lines. Apart from erecting the physical impediments of concrete walls, barbed wire fences, and deep trenches to prevent intercourse between the two parts of Berlin (and the two parts of Germany), the regime is taking internal measures clearly indicating its extreme apprehension about its ability to control the populace now that the safety valve - the possibility of fleeing to the West - has been all but cut. The move most indicative of regime anxiety was the tremendous drive conducted to recruit young people to join Zou's military and paramilitary services. Every form of pressure, including assignment to disgraceful jobs at lower pay and even physical beating, has been applied to "Stalinist" youth between the ages of 18 and 23. Considering the low political reliability of this age group in the past (this age group comprises nearly half the refugee flow of the past two years) it cannot be imagined that the regime expects to forge reliable military forces from these unwilling recruits - at least in very short order - and the measure thus appears to be a move to enhance internal security of the regime by imposing military discipline and punishment upon this age group and transplanting youth to unfamiliar surroundings thus breaking up former acquaintances and contacts. A further measure of internal control has been the institution of forced labor for those the regime considers not employed in the "interests of the state", especially applied to the 30,000 or more East Berliners and East Germans who held jobs in West Berlin until 13 August ("border crossers") and who have since been ordered to jobs largely of a menial nature throughout the East Zone. Arrests of persons accused of anti-regime remarks and draconian sentences for acts considered hostile to the state are everyday affairs; several instances have been recorded of life imprisonment sentences imposed on teen-agers for defying East German authorities, in particular for helping others escape from East Germany.</p>			
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<p>3. In the past month the regime has shifted its attention to industrial production. Now emphasis is being placed upon recruiting young people for jobs in industry and a "voluntary" campaign is in full swing whose aim is to get greater productivity from the available labor force. According to a public statement by a principal East German official, the labor force of East Germany has declined by 200,000 since mid-1958. There is definite indication that East German industrial production has at least in some sectors dropped below the levels reached early in 1961. Consequently, the "production appeal" now under way must have as its first goal the restoration of previous production levels. Letters from all parts of East Germany suggest a public apathy which is very likely leading to a slow-down in industry contributing still further to the problem of maintaining production already made difficult by the enormous refugee flow of this spring and summer and the withdrawal of useful elements of the labor force to military and paramilitary services in August and September.</p> <p>4. Throughout the East Zone the impression gained from letters, covert sources, and the observations of U. S. Military Mission personnel driving through the area is one of depression approaching despair. The Military Mission officers report that streets are almost deserted by day and night. People are evidently remaining at home except for absolutely necessary shopping tours and for the periods when they are at work or attending mandatory party indoctrination sessions. Shortages of food and many types of consumer goods have been reported everywhere in the Zone. Measures introduced raising prices on many consumer goods immediately following the 17 September "local elections" in East Germany contributed still further to the deep-seated discontent of the populace. Isolated instances of resistance have been reported; one of the most recent developments has been a wave of barn burnings on the collective farms. But there continues to be no evidence of an organized resistance nor of a spirit of desperation in the populace which would conceivably lead to spontaneous uprisings on a wide scale. The spirit of resistance to the regime is probably still on the rise among the East German populace but it is not likely to be touched off by anything short of active military operations conducted by the West.</p> <p>5. The construction of the wall along the sector border and the successful "sealing in" of the East German populace has had nearly as profound an effect upon the morale of West Berlin residents as it has had upon the East German populace. West Berliners have become extremely apprehensive since 13 August that the Western Allies are seeking a settlement with the Soviet Union which maintains Allied access to West Berlin but which agreement psychologically and physically reduces the viability of West Berlin. The West Berliner was profoundly disappointed when the West failed to prevent construction of the wall dividing Berlin, and his disappointment has become the more vocal and critical of the West as indications have accumulated suggesting that the East German military forces which first closed the border on 13 August had no ammunition in their weapons and were prepared to withdraw at the slightest sign that the West would take military action to prevent the sector border seal-off. It can, of course, never be established definitely what might have happened had the Western Allies physically intervened and prevented the construction of the barbed wire fences along the sector border on 13 August. There is no reason to suppose, however, that the Soviets were bluffing and it seems highly likely that Soviet forces would have appeared on the sector border had Allied military forces moved up. Had the Soviets moved up, the border would still have been closed, but physical barriers might conceivably have been constructed some</p>		
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<p>distance inside East Berlin rather than being employed directly upon the line between the two sectors. There was no satisfactory way of stopping the flood of refugees from East Germany except the closure of the sector border (short of abandoning the use of East Berlin as the capital of East Germany). At the rate the refugee flow was mounting in the first two weeks of August, there is little doubt that another month of refugee flow would have caused the collapse of the East German economy. It must be supposed, therefore, that the Soviets, having at last made the decision to close the sector border, were prepared to close it with their own forces if necessary.</p>		
<p>The actions by the West since the 15th of August have made principal contributions to bolstering morale in West and East Berlin alike. The first move was the visit to West Berlin of the Vice President of the United States and the transfer of an additional battle group to West Berlin on 20 August. This expression of the commitment of the United States in West Berlin was of tremendous significance in averting a crisis of confidence among the civil populace of West Berlin. The arrival of General Clay in general had a strong positive impact upon the populace of East and West Berlin alike, and his presence has been especially hailed by West Berliners following the demonstration of determination accompanied by a modest show of military force carried out at Friedrichstrasse during the week of 22 October, for which actions General Clay is basically credited here. The actions forcing symbolic entrances into East Berlin of American civilians in vehicles bearing U. S. Army Europe license plates culminated on 27 October with the appearance in East Berlin of Soviet tanks which for a 16-hour period confronted U. S. tanks at Friedrichstrasse over a distance of approximately 200 yards. This tangible Soviet recognition of its responsibilities in East Berlin did much to take away the initiative from the Soviets in the Berlin question. There can be little doubt that the prestige of the Soviets (and most certainly of the East German regime) has suffered a great loss and it can only be anticipated that the East will be most anxious to regain the ground it has lost. The appearance of Soviet tanks and personnel at Friedrichstrasse is all the more significant because it appears clear that the Soviets doubt that the East German forces will be reliable in an active military encounter in East Berlin if - as is most likely - an uprising of the East Berlin populace occurs. Soviet forces in the center of East Berlin are therefore probably at hand to put down a civil uprising. It seems most unlikely that the Soviets believe that the Americans and Western Allies intend to conduct actual military operations inside East Berlin.</p>		
<p>7. From an operational standpoint, the period since the sector border closure has been one of intensive assessment of totally new operation conditions - the first fundamental change in operational conditions at Berlin Base since its founding, arising from the impossibility henceforth of crossing the sector border without submitting to Eastern controls. It has been a source of tremendous satisfaction that we have been able to continue to maintain contact with more than 25 of our agent assets via previously established alternate communications channels. The foresight and professional skill of Base officers had prepared the great majority of important Base operations for just such a contingency as we have faced since 13 August, and two-way communications, while slow (and a scant substitute for personal meetings) have permitted us to maintain intelligence</p>		
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<p>collection activities through many Base assets despite the border closure. At least as many more agents of Berlin Base are successful for re-activation as for us we can arrange re-contact, re-assign, and in some cases communications training missions into East Berlin and East Germany on their behalf. Berlin Base Operations into East Berlin and East Germany are now entirely legal traveler operations, there is no practical way to conduct black operations into East Berlin in the face of physical barriers and patrols on the border. Nonetheless, a considerable traffic of West Germans and foreigners continues between East and West Berlin and a number of successful operations have already been carried out to support our agent assets in place in the East. We have also turned our attention more directly to tactical intelligence in direct support of the U. S. Commander, Berlin and have been quite successful in maintaining a coverage of populace temper and significant events in East Berlin in the past few weeks.</p> <p>As the same time that we have been engaged in an adjustment of our operational methods to the new situation, we have been undertaking a reorganization of the Base in line with the requirement imposed on us to create an operational element in West Germany to prepare agent assets for use in the event military hostilities break out over the Berlin question. A total of 20 staff personnel have been transferred from Berlin Base to this new unit, including the former Deputy Chief of Base and one of the operational branch chiefs. In addition, eight officers have been made available for other assignments in the Central Station. The Base structure has been simplified somewhat by combining the four operational branches engaged in intelligence collection into two branches under the Deputy for Operations. A separate Cover Affairs Branch has been set up which has been staffed almost entirely with officers already at Berlin Base diverted from intelligence collection activities. The CA Branch is currently engaged largely in propaganda and other psychological warfare operations aimed both at interpreting the Berlin crisis to audiences throughout the world and to bolstering the morale of the West Berliners. Attention is also being given to the possibilities for harassing Soviet and East German authorities in East Germany. The new Base organization is now beginning to work together as a team in a gratifyingly effective manner. The intelligence opportunities in Berlin continue to be very great and a slight relaxation of East German regulations, which would permit some East Germans to visit West Berlin, might well provide us with more opportunities for intelligence activities than the current Base strength could handle. While the 13th of August found Berlin Base at a low point in managerial strength and continuity, the transition period has now been completed and the Base is solidly entrenched with the local command and highly active in the intelligence and political action fields.</p>		
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