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CURRENT INTELLIGENCE WEEKLY SUMMARY



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BERLIN

The Communists have continued their threats against the use of the Berlin air corridors by Western commercial carriers, charging them again with transporting West German "militarists" and "revanchists" to West Berlin. While the campaign was timed to coincide with the 1-3 September Homeland Day celebrations in West Berlin by expellees from former German territories in Poland and Czechoslovakia, recent statements lay the groundwork for future interference with commercial air traffic, in an effort to intimidate the Western carriers to suspend their flights or accept East German authority over the corridors. As in the past, the propaganda is directed against the general target of West Germany's ties with West Berlin and forms part of the bloc's effort to further a sense of isolation and helplessness among West Berliners.

The USSR addressed notes on 2 September to the three Western powers in which it recapitulated the position taken in its earlier notes of 23 August that there is no legal basis for the operation of commercial aircraft in the postwar quadripartite agreements relating to Berlin and that the corridors were set up only to supply the needs of the Allied garrisons in Berlin. The notes warned that the Western Allies will be held responsible for any consequences of "provocative activity" carried out by the West German Government in West Berlin.

On 5 September, the Soviet Commandant in Berlin, General Solovyev, visited US Commandant Watson to deliver a reply to the Western protest against the sealing off of the Berlin sector border. Solovyev charged that West Berlin "rowdies" had interfered with Soviet officials

on duty in West Berlin, notably Soviet controllers in the Berlin Air Safety Center (BASC). He warned that further such interference might affect BASC operations, implying the Soviets might end their participation. The day before Solovyev met Watson, the East German news agency carried what purported to be the gist of the Soviet Commandant's remarks; it was couched in very insulting language and bluntly threatened a walkout from BASC. The US Mission in Berlin reported that Solovyev's remarks followed the broad lines of the East German release but in essentially different tones. Solovyev had no explanation for the premature release of his statement or the insulting character given it.

East German spokesmen have gone out of their way to reaffirm the regime's intention to abide by the terms of the Soviet - East German agreement of 20 September 1955 under which the USSR retained control of Western Allied access to West Berlin. The regime, however, has recently hinted at some qualification of this position.

On 31 August, East Germany delivered two notes, each dated 26 August, to the US Embassy in Prague through the Czechoslovak Foreign Ministry, charging the US with misuse of the air corridors and of its ground access rights between West Germany and West Berlin. The notes in general restate the charges made by Walter Ulbricht in his 25 August speech in which he insisted that the East German regime has a legal right to control non-military traffic over its territory and will eventually demand control over all traffic to Berlin.

The second note specifically protested the reinforcement of the US Berlin garrison on 20 August and declared that the regime would

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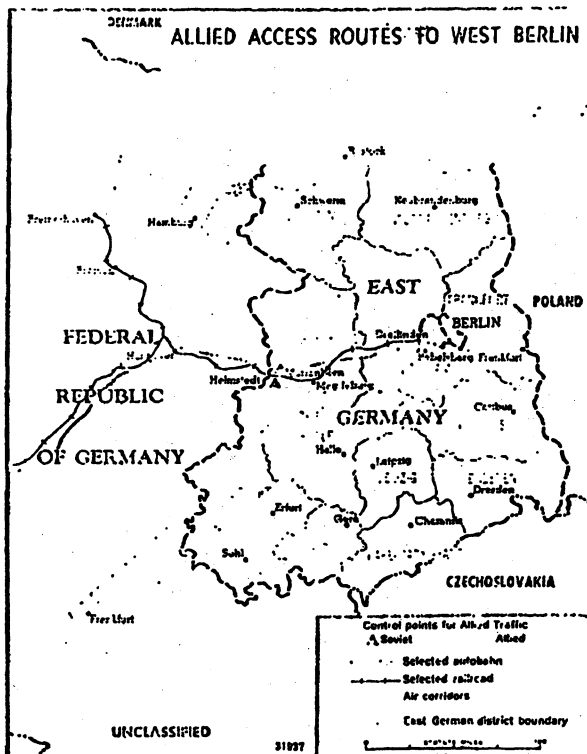
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ALLIED ACCESS ROUTES TO WEST BERLIN

1. Helmsedt-Berlin autobahn
2. Helmsedt-Berlin railroad
3. Three air corridors

NOTE: Personnel of allied military liaison missions accredited to the commander-in-chief of Soviet forces in East Germany may cross East Germany on other land routes, but all other allied personnel as well as supplies for allied garrisons in West Berlin may use only the routes listed.

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East German "Frontiers"

The regime has taken a further step to convert the sector border between East and West Berlin into a state frontier: by establishing a central customs control station at the Friedrichstrasse crossing point. A West German press service reports that East Germany has quietly introduced a customs duty on all parcels from West Berlin and West Germany to East Germany. No duty had been levied on such articles in the past.

On 2 and 3 September, East German police built a barbed-wire fence along both sides of the road leading through East Germany from West Berlin to Steinstuecken, an exclave of the US sector of Berlin. While the measures may have been taken simply to cut off refugee passages through Steinstuecken to the Western sectors, it may be a further step toward the absorption of the exclave into the surrounding East German territory or, alternatively, in East Berlin. West Berlin police have reported that two Steinstuecken residents were arrested for helping refugees reach West Berlin.

In an effort to improve security along the East-West German frontier, the regime has resorted to frequent helicopter surveillance. US military officials report that there has been a marked increase in border violations by Soviet-type helicopters along the frontier. There were seven such violations on 28 August, ten on 29 August, and four between 1 and 3 September.

Pressures on East Germans

The Ulbricht regime, confident of its control over the population, is resorting to

hard-line domestic policies in an effort to silence opposition and increase production. Industrial workers clearly will no longer be handled with the great care previously accorded them. A top planning official--politburo member Bruno Leuschner--recently revealed that the party politburo has sharply criticized the trade union leadership for slackness toward "the class enemy," neglect of the struggle against work slowdowns, and general political and economic weakness. This suggests that harsher provisions for payment and work hours may soon be introduced in an effort to overcome, as far as possible, manpower losses stemming from the refugee flow prior to the sealing off of West Berlin. West German statistics show that more than 184,000 persons fled from East Germany during the first eight months of 1961, compared with just under 200,000 in the whole of 1960.

Leuschner revealed that industrial production during the first six months of 1961 had slumped slightly below the comparable period in 1960, although there was wide variation from sector to sector. Steel and coal apparently came close to plan fulfillment, while the production plan for chemicals was overfulfilled. Shortfalls were chiefly in the key machinery and equipment industries and in construction. Leuschner did not specify what measures are being planned to strengthen controls over labor and management, but he noted that industrial wages paid in the first six months had amounted to 49 percent of the annual plan figure, whereas production had been only 45 percent of plan. The regime probably will put into effect some changes in the work norms and the wage structure; such measures are already authorized by the labor code, which went into effect on 1 July.

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Leuschner also noted that the Economic Council is drawing up specific proposals to eliminate weakness in the union organization. This suggests that Alfred Neumann, who was appointed to head this council in early July, and Karl Mewis, named chief of the State Planning Commission at the same time, may have clashed with long-time trade union chairman Herbert Warnke on the feasibility of speed-up measures to overcome production problems. Widespread shake-ups throughout the union structures are probably in prospect.

Under these pressures, the East German population appears to be tense and uneasy. At the Hennigsdorf locomotive plant north of Berlin, the regime reportedly has arrested at least six engineers after a succession of incidents beginning in early June. Potsdam District party leaders are reported to have been censured for permitting unrest in the plant. A show trial intended to connect worker unrest and alleged American activities in West Berlin is said to be in the making.

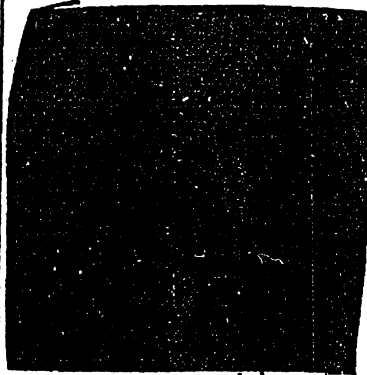
The Church

The regime has made new moves to split the Evangelical Church in East Germany from its leaders in West Berlin and West Germany. On 30 August, the East Berlin police president ordered Dr. Kurt Scharf, chairman of the All-German Evangelical Church synod and a resident of East Berlin, to cancel a synod meeting scheduled for the following day. At the same time, East German churchmen were forbidden to attend a synod meeting in West Berlin.

The regime followed up with a move to expel Dr. Scharf from East Berlin, on grounds that he had retained his West Berlin identity card, had protested against the sealing off

of West Berlin, and belonged to "an organization inimical to peace." The regime also refused to permit the provincial Berlin-Brandenburg synod to meet on 2 September to elect a successor to Bishop Otto Dibelius.

By these moves, the regime has effectively split the church into Eastern and Western halves. It may soon attempt to institute an East German "national" Evangelical Church.

West Berlin and West Germany

The US Mission characterizes the feelings of West Berliners as a combination of grim resolve to hang on and nervousness over where the next blow will fall. They find it especially difficult to adjust to the loss of the city's long-standing "special mission" in the East-West struggle--i.e., its role of "escape hatch," show window to the East, and meeting place of Germans from East and West. As alternatives, West Berlin leaders have already begun to stress further economic progress and development of West Berlin as a center of science and education. The mission doubts, however, whether in the long run any of the younger West Berliners will be able to resist the appeal of a "less complicated" life in West Germany.

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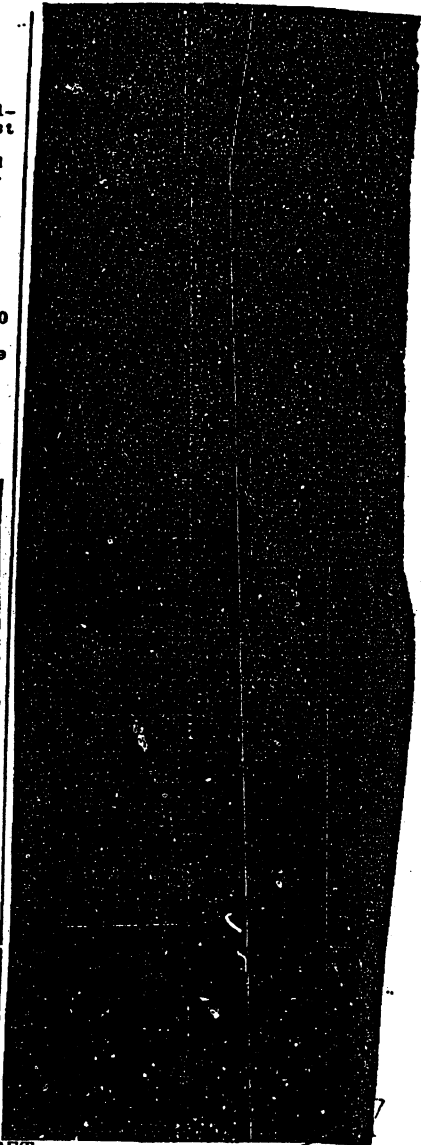
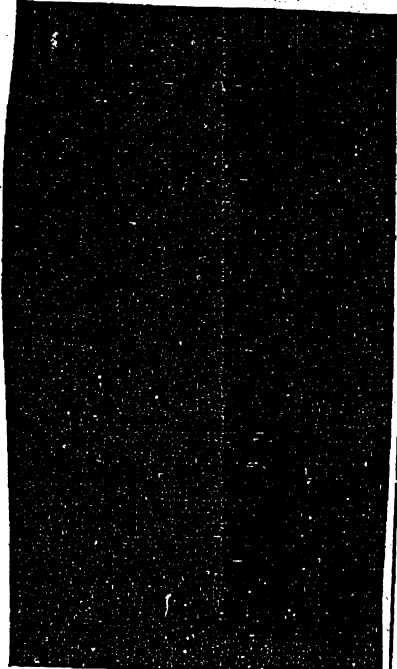
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The Homeland Day rally was uneventful, with no interference from the East German regime. East Germany used similar meetings a year ago as a pretext for imposing restrictions on West German civilian access to West Berlin. West German Transport Minister Seeborn visited West Berlin and returned to Bonn on 2 September without incident, despite East German threats of "demonstrations" against his flight into Berlin on a Western commercial aircraft.

According to the West German newspaper Die Welt, only 300 West German firms have exhibits at the East German Leipzig Trade Fair from 3 to 10 September, as compared with 815 last year. Many large West German firms which had been represented for many years are conspicuously absent.



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