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CURRENT INTELLIGENCE WEEKLY SUMMARY



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CENTRAL INTELLIGENCE AGENCY

OFFICE OF CURRENT INTELLIGENCE

DETER 19 June 80 REVIEWER



In an effort to halt the refugee flow, which reached near-panic proportions last week, the East German regime--purportedly at the behest of the Warsaw Pact countries--moved swiftly and effectively in the early morning hours of 13 August to seal off West Berlin from East Berlin and East Germany. At the same time it announced a series of decrees spelling out its actions.

The New Decrees

All East Germans and East Berliners who wish to go to West Berlin will have to secure special permits from their local police. A veiled warning was issued to East Germans to stay out of East Berlin unless on official business. The number of crossing points on the sector border between East and West Berlin was reduced from 87 to 13. East German army, police, and security forces were brought in to control movement over the sector and zonal borders surrounding West Berlin. It also was decreed that East Berlin and East German "border crossers" who have been working in West Berlin must no longer work there.

The East German Ministry of Transport took steps to cut off elevated railroad (S-Bahn) service between West Berlin and both the Soviet sector and the East Zone. The S-Bahn, operated by the East German regime, has been the main transportation artery in the city and surrounding suburban areas. The S-Bahn service will be continued within West Berlin and, separately, in East Berlin and the zone. Similarly, the subway (U-Bahn) -- under Western control except for one line--is permitted to make only one stop on the two lines which run through East Berlin.

On 15 August, the East German Ministry of Interior issued a regulation requiring West Berliners to secure special permits for their cars or motor-cycles to enter East Berlin.
Thus, for the first time West Berliners are forced to secure permits to enter the Soviet sector. This decree, like those of 13 August, violates the post-war quadripartite agreements providing for Four-Power occupation of all of Berlin as well as the Four-Power Paris agreement of 20 June 1949 which ended the blockade of Berlin.

The East Germans also reduced the number of East - West Berlin sector control points where West Germans may secure passes to visit East Berlin. This move underlines the regime's claim to the right to control West German travel into East Berlin, set forth initially in a decree of 8 September 1960-also in violation of the Four-Power status of Berlin. This decree was one of the major reasons leading Bonn to abrogate the interzonal trade agreement last September. Bonn rescinded this action only after the East Germans in December agreed, among other concessions, not to give effective enforcement to the 8 September decree.

The regime has announced also that it will be illegal for East Germans to accept identification papers from West Berlin or West Germany. Bonn hitherto had granted such identification to East Germans, on grounds of common German citizenship.

Refugee Flights

registrations of East German refugees at the Marienfelde Refugee Reception Center for 12 through 15 August total 10,—712. The large majority of those escaped before the border closed on 13 August. No reliable count is yet available of those refugees who have since circumvented the new controls. Of the four-day total, 1,656 were border crossers; 994 of these came from East Berlin.

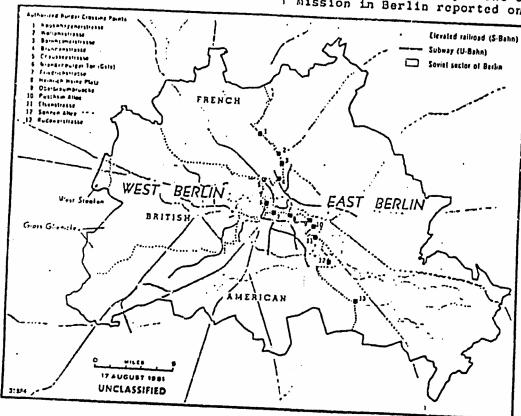
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sanctions might be imposed against the Communist bloc if the Berlin issue could not be settled.

There has, however, been interference with communications linking East Germany, West Berlin, and West Germany. The US Mission in Berlin reported on



Traffic and Communications

While traffic--either Allied or West German--between
Kest Berlin and West Germany
has not yet been affected, the
regime has threatened to interfere with West German freight
shipments if Bonn resorts to
economic countermeasures. Chancellor Adenauer in a speech on
l4 August warned that trade

15 August that telephone serveice between East and West Germany was still interrupted, although that between West Berlin and West Germany was functioning normally. Telex service between East and West Berlin has been cut. These moves probably reflect the regime's attempt to deprive its own population of means to communicate with the West.



Travel of East Germans to the lest appears to have been drastically cut. The press reports that East Germans are being ordered off trains at frontier points between East and West Germany. The Swedish travel bureau says that East Germans are no longer to be allowed to organize travel groups via ferry to Sweden.

Military Moves

Elements of two--and possibly three--Soviet divisions stationed outside Berlin were at the outset deployed in small tank and infantry groups in a circle two to three miles from the city's Outer Ring. These elements had evidently with-drawn or moved into assembly areas by the afternoon of 16 August. The East German army and police units which moved into the Berlin area this past week end are apparently still there.

Popular Reaction

The East German population, cowed by the show of Soviet - East German force, is generally taking a cautious line in commenting on developments and evidently is closely watching for reactions by the Western powers.

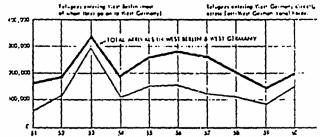
Soviet Position

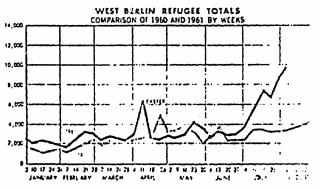
The Soviet decision, apparently taken at the Warsaw Pact conference on 3-5 August, to authorize the controls to halt the refugee flow underscores the dilemma confronting Khrushchev. Since his talks with President Kennedy in Vienna in early June, the Soviet premier has sought to impress the West with his determination to bring the Berlin situation to a head

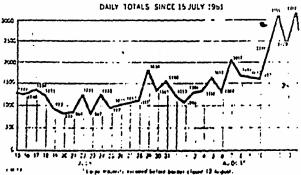
tofore the end of the year. As part of his campaign to force the West into early negotiations on Soviet terms, he had gone to some lengths to create the impression that no Western moves could deflect the bloc from carrying through with its announced intentions. This more aggressive tone, however, was largely instrumental in precipitating the mass flight of East Germans which was an acute embarrassment for Soviet police.

SECRET

TOTAL ANNUAL REFUGEE FLOW INTO WEST BERLIN AND WEST GERMA









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indicated that the bloc foreign ministers will meet in "late fall" to consider the "results of the preparatory work" on a treaty, while Ulbricht indicated that drafting of a treaty was now in progress.

Khrushchev's speech of 11 August, however, is evidence that the USSR is still holding the door open to negotiations. While giving equal weight to threats against NATO Allies and to appeals for negotiations, Khrushchev sought to display some flexibility on the possibilities for a negotiated set-He reaffirmed that tlement. the USSR would offer "reliable guarantees" for a free-city status and indicated that there could be several "variations" on the terms of such guarantees. He also claimed that the question of West Berlin was "in itself" not so difficult to solve, provided the issue was not turned into a "trial of strength."

The announcement on 10 August that Marshal Ivan Konev had been appointed commander of Soviet forces in East Germany was probably related to the decision to seal the Berlin sector boundaries and to the general Soviet strategy vis-avis the fest. Konev's appointment places a highly trusted and close associate of Khrushehev in a key position during a period of greatly increased tensions in Berlin. The advance notice that Konev was in command was probably calculated to impress the East German populace with the extent of Soviet support for the regine and Soviet willingness to use its forces to suppress any popular opposition.

The naming of Konev also served to underscore the seriousness of the measures recently announced by Khrushchev to "make the defensive might of the So-

viet Union even stronger and more dependable." The selection of Koney, commander of the War-saw Pact for five years and leader of the forces which captured Berlin, is also calculated to sharpen the repeated warning that the bloc will rebuff any resort to force by the West following a separate peace treaty. Khrushchev probably feels that the appointment of a man o' Konev's prestige and experience will strengthen his efforts to impress the West with his determination to conclude a segarate treaty in the absence of a negotiated settlement.

The 15 August letter of the Soviet commandant in Berlin, rejecting a 3 August Western protest against restrictions at that time on border crossers previews the general diplomatic line the USSR can be expected to follow in connection with Western protests against the current control measures. Soviet letter reaffirms Moscow's contention that East Germany has sole legal jurisdiction over East Berlin. Underlining the "exclusive competence" of the Ulbricht regime in East Berlin, it charges the West with using the "occupation regime in West Berlin for intolerable provocations undermining activities" against East Germany and the bloc.

Reaction in West Germany and West Berlin





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Nest German and Nest Berlin leaders have unged all Germans , to remain calm and patient and avoid "emotional behavior" . which would only worsen the situation in East Germany. Defense Minister Strauss, at a campaign rally on 14 August, warned that any explosive reaction by West Germans to East German moves would lead to developments "impossible to control," adding, "If shooting starts, no one knows with what kinds of weapons it will end." Strauss criticized the overcagerness of West German businessmen for trade with the bloc and said that the East German Leipzig Fair, scheduled for 3-10 September, was no place for Yest German participation.

Jest Berliners, meanwhile, are becoming increasingly restive over the lack of prompt Jestern countermeasures.

crowds on 15 largust criticized Brandt for making "high-sounding statements but failing to take concrete measures." To reduce the chances of incidents, Yest Berlin police are being kept on "maximum alert" and all demonstrations near the sector borders are forbidden.

At the large demonstration addressed by Mayor Brandt on 16 August, West Berliners waved banners saying "Better dead than Rad"; "We demand countermeasures"; "90 hours without doing anything"; and "Betrayed by the

the West?" Berlin officials scheduled the rally as a means of allowing the restive populace to "let off steam" and restore confidence. Some instances of panie buying have been reported, and city officials have been queried by anxious individuals as to whether they should go ahead with vacation plans or whether they should make preparations for leaving the city. Political leaders are fearful that a "crisis of confidence" may develop as a result of unfulfilled expectations of Western countermeasures.

Nest Berlin officials maintain that no "serious" trouble is expected from the loss of the 50,000 East Germans who had jobs in west Berlin. Most firms expect only a temporary inconvenience since they were careful to limitathe proportion of border crossers working in any one part of their operations. The greatest hardship will be experienced by small firms where the lack of one or two skilled workers can cause serious trouble or where most of the workers were border crossers.



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