# June 18, 1953

#### CIA Current Intelligence Review Analyzing the Communist 'New Look in East Germany' and 'Recent Unrest in Eastern Europe'

## Citation:

"CIA Current Intelligence Review Analyzing the Communist 'New Look in East Germany' and 'Recent Unrest in Eastern Europe'", June 18, 1953, Wilson Center Digital Archive, Central Intelligence Agency (FOIA Release). On file at the National Security Archive, "Soviet Flashpoints" Collection.

https://wilson-center-digital-archive.dvincitest.com/document/111320

## Summary:

A CIA report discusses new policy modification in East Germany following the East German Uprising. It is reported that measures are being taken by the regime to relieve political and economic tension and to improve the quality of life in East Germany. This includes shifting the some of the production of heavy machinery to the production of consumer goods. The report also reviews details on recent social unrest in Eastern Europe.

# **Original Language:**

English

### **Contents:**

Transcript - English Translation - English TOP SECRET

18 June 1953

US OFFICIALS ONLY

SC No. 07808 Copy No. 83

CURRENT INTELLIGENCE REVIEW

[Excised Section]

Office of Current Intelligence

CENTRAL INTELLIGENCE AGENCY

[Excised Section]

THE COMMUNIST "NEW LOOK" IN EAST GERMANY

The far-reaching measures announced by the East German government since 9 June leave little doubt that the regime has been directed by Moscow to amend important aspects of a policy in effect since the Bonn and Paris treaties were signed in May 1952. The Kremlin seems to expect that by a show of moderation in East Germany it will eliminate a serious obstacle to Soviet political objectives in Western Europe generally and West Germany in particular.

In admitting and adjusting "previous mistakes," the East German Communists are evidently aiming at several objectives. By promising to restore ration cards to persons heretofore discriminated against and to give short-term credits to businessmen, they hold out hope of improving living conditions which have recently caused widespread discontent. By promising restitution to refugees, they apparently hope to stem the flow of malcontents to the West which has seriously embarrassed the government and deprived it of skilled labor.

By calling off the campaign against the youth organizations of the Evangelical Church, by agreeing to reinstate the pupils and teachers dismissed in the course of this campaign and to restore to the church various confiscated properties, and by promising a review of ordinances oppressive to the churches, the Communists are eliminating a major cause of near-defiance of the regime at home and suspicion abroad. While the government is clearly counting on future support for its policies in return for "guarantees of church autonomy under the constitution," there is no evidence that these guarantees have been tied to specific commitments.

Most of the new measures, moreover, are obvious moderations of the accelerated "class warfare" initiated in East Germany under the "rapid Socialization program" announced last July--all mention of which is now reportedly banned. It is therefore evident that the regime is making a serious effort to attenuate the atmosphere of political and economic tension created by the progressive constriction of private enterprise, the subordination of individual well being to the production of investment and military items, and the utilization of police power to support these goals. To what extent basic aspects of that program will be affected will depend on the manner in which the regime carries out other and vaguer promises which have not yet fully emerged in specific decisions. Measures have already been hinted at however, for amending the heavy industry plan to "improve the living standards of all segments of the population," to adjust the agricultural program, and to moderate the policy of isolating East Germans from Western contacts.

For example, the cabinet has called for early changes in the Five-Year Plan, implying perhaps some cutbacks in capital investments or even military items in favor of greater production of consumers' goods. With respect to agriculture, an official rebroadcast of a speech by a local chairman of a farm collective quoted him to the effect that present policy calls for concentration on the improvement of existing cooperatives rather than on the formation of new ones.

New regulations with respect to inter-zonal transit passes have already been announced. These appear to envisage only limited inter-zonal travel in the next three months, but promise that passes will be granted to all who have not committed political or criminal offenses. Grotewohl, in a speech on 12 June, recommended the suspension of a proposed reorganization of the East German school system on the grounds that it would create serious obstacles to the later transfer of students to West German universities.

Finally, the past week's developments emphasize the political fluidity which the USSR has permitted in East Germany to a degree unmatched in the Satellites. Since last July, the advocates of a tough policy have evidently been permitted freedom to impress their views on government and party, but by no means unrestrained freedom. With the present reversal, there is inevitable speculation that a "reverse purge" may now ensue. However, the continued coexistence of adherents of both the "communization line" and the "unification line" seems probable so long as Soviet policy toward the German question has not crystallized.

In the meantime, the process of "putting a new face" on East Germany may mean incidental as well as intentional benefits for the East Germans, since Western skepticism may necessitate still more far-reaching changes than those thus far announced. To further its "peace offensive" both in West Germany and beyond the Rhine, the Soviet Union may in fact be prepared to go very far in "adjusting" East Germany as an alternative to more difficult concessions such as the return of prisoners of war, free elections in East Germany, or revision of the Oder-Neisse line.

#### RECENT UNREST IN EASTERN EUROPE

Popular unrest has increased significantly during recent months in Czechoslovakia, Rumania, and East Germany. In the remainder of Eastern Europe unrest and dissatisfaction are continuous and widespread, but without a specific point of focus (see map, P. 12). Since coming into power the Satellite governments have eliminated all organized resistance.

Popular unrest is taking such varied forms as physical attacks on Communist officials, dissemination of anti-communist leaflets, non-cooperation by peasants and workers, resistance by church leaders, and escape to the West. None of these actions are believed inspired by organized indigenous resistance movements which no longer are known to exist in Eastern Europe.

In Czechoslovakia, Poland, Rumania and Albania anti-regime activity, in addition to spontaneous personal acts, has been carried out in some cases by small, isolated, self-contained bands. On the other hand, violent opposition in Bulgaria and Hungary consists almost entirely of individual acts.

In East Germany, the 16 June outbreaks of violence in East Berlin provide the most dramatic expression of the steadily mounting popular discontent and suggest that the government's more conciliatory attitude has so far been unsuccessful in mitigating antipathy to the regime. The heavy flow of refugees to the West, an accurate barometer of popular sentiment, dropped sharply after the government's new

measures were announced on 9 June, but is again rising.

The Protestant churches and the ranks of labor have long been regarded as the most potent centers of discontent, such ostensible sources of opposition as the non-Communist parties having been almost completely intimidated. Government harassment of the churches, like the recently alleviated campaign against the Protestant youth organizations, provoked a strong stand from the clergy which had the sympathy of the population at large. There have been frequent reports of labor unrest, occasionally even manifested by strikes. The government, of course, makes elaborate efforts to conceal worker opposition and the actual number of such organized protests may well exceed the number reliably reported.

Less organized, but of considerable importance, has been the general discontent among youth and agricultural groups. Difficulties encountered by the regime in recruiting for the military forces, the unsuccessful experiment of the voluntary youth labor corps, the low morale of the para-military units, the frequent report of purges within Communist youth organizations, and the government's reported plans for a retardation of collectivization are all indicative of the negative response the Communists' programs has evoked. In any case, it is quite clear that the present policy shifts are in part motivated by a desire to reduce popular antipathy to the communization of East Germany.

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TOP SECRET18 June 1953US OFFICIALS ONLYSC No. 07808Copy No. 83 CURRENT INTELLIGENCE REVIEW[Excised Section]Office of Current IntelligenceCENTRAL INTELLIGENCE AGENCY[Excised Section]THE COMMUNIST "NEW LOOK" IN EAST GERMANYThe far-reaching measures announced by the East German government since 9 June leave little doubt that the regime has been directed by Moscow to amend important aspects of a policy in effect since the Bonn and Paris treaties were signed in May 1952. The Kremlin seems to expect that by a show of moderation in East Germany it will eliminate a serious obstacle to Soviet political objectives in Western Europe generally and West Germany in particular. In admitting and adjusting "previous mistakes," the East German Communists are evidently aiming at several objectives. By promising to restore ration cards to persons heretofore discriminated against and to give short-term credits to businessmen, they hold out hope of improving living conditions which have recently caused widespread discontent. By promising restitution to refugees, they apparently hope to stem the flow of malcontents to the West which has seriously embarrassed the government and deprived it of skilled labor.By calling off the campaign against the youth organizations of the Evangelical Church, by agreeing to reinstate the pupils and teachers dismissed in the course of this campaign and to restore to the church various confiscated properties, and by promising a review of ordinances oppressive to the churches, the Communists are eliminating a major cause of near-defiance of the regime at home and suspicion abroad. 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