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CENTRAL INTELLIGENCE AGENCY  
OFFICE OF NATIONAL ESTIMATES

4 December 1961

STAFF MEMORANDUM NO. 74-61 (Internal ONE Working Paper -  
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SUBJECT: Unrest in East Germany \*

1. It may be recalled that we examined the prospects in East Germany last August in SNIE 12.4-61, "Stability of East Germany in the Berlin Crisis," and that USIB subsequently approved a paragraph for insertion in the minutes of its 26 October meeting which took account of developments in the interim. The SNIE was geared mainly toward the contingencies of (a) heightened international tension, and (b) limited Western military action in connection with the Berlin situation. With regard to the first, we noted the essential unpredictability of popular uprisings developing from spontaneous, local incidents of violence. Much, we said, would depend on the posture of the West and the behavior of the SED leaders, but on balance we felt that any outbreaks would not get

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\*This memorandum has been discussed in draft with OCI and ORR.

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beyond the local level. With regard to the second contingency, however, we said that the chances of a local uprising would greatly increase. In its paragraph of 26 October, the USIB took note of the changes which had occurred since the events of 13 August which had caused a "further deterioration in the public mood," characterized by "feelings of greater desperation and greater hopelessness," but added that, even so, the main judgments of the estimate remained valid.

2. Though this may still be a correct assessment, it might nevertheless be useful at this point to look at the situation in more detail. The general popular mood, as described above, has not improved since October and probably has worsened. 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, especially on the secondary school level. Aside from the youth, disaffection is widespread among the rural populace, causing immeasurable difficulties for the SED leaders, both for agricultural production and for general public order. Contributing to this situation are growing shortages of food and needed consumer items, intensified by continued hoarding, -- shortages which will

- 2 -

SECRET

SECRET

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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 earlier in the annual production cycle this year, and early Spring is expected to be a critical point in the supply situation.

3. Though popular morale since August 13 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 pronounced apathy on the part of the industrial workers toward the policies instituted by the regime after the closing of the sector border. The appeal to the workers to produce more and work longer hours for the same pay has had no positive effect, and has even resulted in work slowdowns. The workers are generally resentful, and are openly recalcitrant towards post-August 13 economic programs, which they feel are impossible to fulfill.

4. The U.S. 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 worsen the general morale

- 3 -

SECRET

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problem among the workers still further in the months ahead. Moreover, difficulties in industrial production, especially of finished goods, point up a deeper problem of the feasibility of the regime's economic plans, which have already been scaled down and will have to be further revised unless substantial assistance is provided by the Bloc countries.

5. One of the chief problems, however, 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 implementing the harsh internal measures initiated after 13 August revived long-standing 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, only to have their morale shattered by Khrushchev's lifting of the deadline at the 22nd Soviet Party Congress. Moreover, the proceedings at the Congress, especially the further denigration of Stalin, caused considerable confusion in the party and dissatisfaction at local party levels with higher headquarters. The SED propaganda apparatus evidenced great difficulty immediately after the Congress in devising a

- 4 -

SECRET

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tenable explanation of these events and their local implications. Provincial and local party officials were clearly 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.

6. This renewed confusion in the party, coupled with the other serious problems faced by the regime, has revived the perennial speculation about the status of Ulbricht and whether the Soviets may see fit to remove him at this time. Though his removal at this critical juncture might well have disastrous consequences for the SED and therefore seems to us highly unlikely, a number of indications suggest that the Soviets may already have begun a process of preparation for his eventual replacement. Such a process, if readily apparent to the populace, might serve to counteract the current depression in the popular mood by arousing hopes of basic changes for the better. So far, the evidence of such a process is tenuous, and on the other side of the coin, Ulbricht, in his recent speech to the 14th Central Committee Plenum, has once again set forth a firm internal line for the SED, and appears to be exercising his usual authoritative leadership. In justifying his own position he has shown his

- 5 -

SECRET

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customary agility, now claiming to have been one of the original advocates of de-Stalinization, and placing any local opponents of his internal policies in the position of seeming to side with the heinous Beriya.

7. Problems of the magnitude faced by Ulbricht might be regarded by some 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 person with crushing demonstrations of authority. The problems described above, for example, have propelled him toward local actions (Soviet tanks at Friedrichstrasse, reinforcement of the wall) designed to avoid any appearance of faintheartedness and to provide a sense of sustained momentum toward the political objectives of a new status for West Berlin and greater recognition of the GDR. 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 broader calculations of Moscow.

- 6 -

SECRET

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8. In sum, a number of the ingredients of revolution are present in East Germany. Some of them have grown in intensity since mid-August, and at least one of them (food shortages) is almost certain to deteriorate further in the coming, lean winter months. Moreover, 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." So far, it is true, there has been no sign of any organized opposition in the country. In addition, by providing in his recent plenum address a clear line on the implications of the 22nd Party Congress, Ulbricht may succeed in overcoming much of the confusion in the party apparatus. Nonetheless, the other ingredients remain, and show no likelihood of receding. 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.

- 7 -

SECRET

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9. Though we believe, on balance, that the essential judgments of SNIE 12.4-61 remain valid, and that no "marked change" in regime policies or behavior or "marked increase" in tensions has occurred since 26 October, nevertheless, the situation is sufficiently serious to warrant careful watching. Unless something radical is done by the regime or by Moscow in coming months to reverse deteriorating trends in the economy and in the mood of the populace and the Communist Party, the possibility of an (essentially unpredictable) uprising will continue to grow.

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- 8 -

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OFFICE OF NATIONAL ESTIMATES

19 December 1961

STAFF MEMORANDUM NO. 75-61 (Internal ONE Working Paper -  
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SUBJECT: Soviet Policy in the Wake of the XXII Party Congress

1. The essence of the XXII Party Congress was an attempt by Khrushchev, using the most dramatic means available to him, to make binding the domestic and foreign policies which he has been developing over the last half decade. In so doing, he has taken great risks and has opened new possibilities, even radical ones, in Communist politics.

Internal Problems

2. Khrushchev has not had to fear for his position since the defeat of the so-called anti-party group in 1957. Despite this victory, however, and despite the cult which subsequently developed around his own personality, he has continually met with difficulties within the party, and on two counts. In the first

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place, in the past year or two other high level leaders appear to have succeeded in limiting the revisions which he wished to make in economic priorities (greater benefits for the consumer) and military policy (downgrading conventional forces and traditional doctrine). In the second place, Khrushchev has found the party apparatus which he inherited a far from satisfactory instrument for carrying out his numerous reforms. The great majority of party officials were trained in the Stalinist period to execute mechanically order, from above and to regard the population as recalcitrant and untrustworthy subjects. They have tended to become bewildered, resentful, and concerned for their careers as Khrushchev demands of them that they display initiative, elicit it from others, and draw the masses into a positive identification with the regime.

3. The savage attack upon Stalin was meant, in the domestic context, to break the emotional attachment to Stalin's person and methods among these cadres. It was also meant to discredit certain Stalinist dogmas, such as the proposition that heavy industry must at all times grow faster than light industry, which had become imbedded in Soviet ideology and stood in the way of Khrushchev's reforms. The concurrent blackening of the anti-party group

- 2 -

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served to dramatize the penalties of resisting Khrushchev's demands for a new style of work and to destroy any luster which the unrepentant and still argumentative Molotov retains as a "conservative" spokesman among the middle and lower reaches of the apparatus.

4. The full internal consequences of the Congress will be a long time in working themselves out. Certainly Khrushchev has succeeded in putting his stamp upon the present era and establishing a direct succession to Lenin. The present compromise formulations of economic and defense policy, however, indicate that his programs remain subject to some sort of consensus among the top leaders, who share his general outlook but cannot be equated to the terrorized yesmen around Stalin. Remaking the entire party apparatus in his own image will, we believe, continue to be a long and difficult process. And among critically-minded elements of Soviet society -- the youth, the cultural intelligentsia, perhaps even younger party members -- virtually the whole of Soviet history has been brought into question, and along with it the activities of present party leaders during that period. We doubt that the attack on Stalin and the cult of Khrushchev will strengthen belief in the party's claims to wisdom and the right of absolute leadership. These factors are more likely to work in the long run toward

- 3 -

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a weakening of the proposition on which party rule is based, and to complicate the problems which Khrushchev's successors must face.

Bloc Politics

5. The consequences of the Congress for Bloc relations are much more immediate and farreaching. With his surprise attack upon the proxy target of Albania, Khrushchev made his third attempt (the Bucharest meeting in June 1960, the Moscow Conference later in the year) to force a surrender upon the Chinese Communists. In doing so, he chose a time of great Chinese weakness. He also gave his attack the greatest possible force, short of an explicit challenge, by coupling it with the condemnation of Stalinist principles and practices, thereby serving notice that all who opposed him could expect a similar fate. Yet in the ensuing two months Peiping, while withholding an equally dramatic response, has made clear its determination to hold to its positions. It appears that a showdown of historic proportions may be imminent.

6. For Soviet policy, this is but the latest in a long series of problems and failures arising from the Soviet leaders' basic inability to comprehend the force of nationalism and to devise policies which will accommodate it. For the Sino-Soviet conflict is at bottom

- 4 -

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a clash of national interests. While each professes devotion to Communist unity, each seeks to mobilize the entire world Communist movement in the service of its own aims. The ideological element, far from providing a basis for reconciliation, imparts a special bitterness and intensity to this rivalry.

7. Will there now be a Sino-Soviet split? The first point to note is that, to a great extent, this split has already occurred. Economic relations have been substantially reduced, and military cooperation, never very high, is minimal. The entire Communist world has been made aware of the deep differences between the two, and each is vigorously using all the weapons of pressure and persuasion to hold and enlarge its retinue of supporters. At the least, it appears certain that full harmony cannot be restored. Yet the question of whether the two powers, poised now on the brink of open polemics, take this final step/an important one. <sup>remains</sup> So long as they do not, the way remains open for a return to tolerable cooperation and a surface appearance of unity, and the strains on other parties can be kept within manageable proportions. If they do, the resulting hostility would probably be as profound as that which now divides the Communist and the non-Communist world, and few Communist regimes or parties would escape its effects.

- 5 -

SECRET

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8. From their present behavior, it appears that both parties are able to contemplate this possibility. Each still hopes that the other will in the last analysis make the concessions necessary to avoid a final split, but neither seems prepared to retreat on the fundamental issue of the locus of authority over world Communism. At this moment, much depends upon the course of Soviet efforts to bring down the Albanian leaders; success here would deal a major blow to Chinese pretensions and to any inclinations in other parties to escape Soviet domination. We believe that the odds are against Moscow in this campaign, but even if it succeeds, the present Chinese leadership would almost certainly return to the lists subsequently.

9. In appraising Sino-Soviet relations, we have regularly stressed the great benefits of a close alliance to the national interests of both partners and, conversely, the great losses which each would suffer from a true rupture. Yet the record of the past eighteen months shows a consistent refusal, on the part of the Soviets, to accept any substantial diminution of their traditional control over the Communist movement. Over the same period, the Chinese have persistently proven unwilling to remain content with the role which the Soviets would assign them in that movement.

- 6 -

SECRET

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Harring a radical change in Chinese outlook or leadership, we now believe that the chances of a full break between the two during the next year or so have become about even.

10. Should such a break occur, the logic of ideological conflict and the history of Communist parties everywhere make it likely that the result would be an acrimonious and protracted struggle. Each side would be impelled to proclaim itself the repository of doctrinal truth and to call for the overthrow of the competing leadership. Communists everywhere would be pressed to declare themselves; purges and splits would probably occur in many parties; North Vietnam and North Korea, unable to sustain a middle game, would probably eventually fall on the Chinese side.

11. In these circumstances, the military alliance between the USSR and Communist China would become inoperative. Already, we believe that it is of dubious value to the Chinese; should they become embroiled in local hostilities with the US, we think that Soviet entrance into the conflict would be far from automatic.

12. The outcome is of course highly uncertain, and the two partners may find a way to get past the current tensions. Even if they do, we believe that the result will be an uneasy and distrustful

- 7 -

SECRET

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truce, marked by cooperation at various times and places and by competition at others. In short, we believe that the Sino-Soviet relationship rests upon an unstable foundation, and that a breach, if it is avoided now, will long remain in the foreground as a continuing possibility.

- 8 -

SECRET

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Foreign Policy

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13. A central problem in Sino-Soviet contention has been policy toward the non-Communist world. This has involved a great deal of misrepresentation on both sides. Thus Khrushchev's allegation that the Chinese regard general war as either inevitable or desirable, while a telling argument insofar as he can make it convincing, is not true. Similarly, Chinese charges that Khrushchev's strategy of peaceful coexistence is a denial of revolutionary aims are a gross polemical exaggeration, although the zeal with which Molotov's parallel criticisms were attacked at the Congress suggests that this indictment finds considerable resonance in the Soviet and other parties.

14. The peaceful coexistence line, far from being an abandonment of Soviet expansionist goals, is a tactical prescription considerably more effective than the compound of heavyhandedness and isolationism which was Stalin's foreign policy. It is informed by an appreciation of the manifold opportunities presented by all the great strains and disharmonies of the non-Communist world -- national rivalry, colonialism, the desire for economic development, the yearning for peace and disarmament. Peaceful coexistence seeks to capture these sentiments and turn them

- 9 -

SECRET

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against the "imperialist" states, using all the weapons of political struggle, economic assistance, subversion, and underlining its points with demonstrations of Soviet military, scientific, and economic prowess.

15. At the same time, this policy also embraces the proposition that general nuclear war would bring intolerable damage upon the USSR itself and should therefore be avoided. The Soviets are continuing to develop their already formidable defense establishment. But the programs presently underway do not reflect a serious effort to achieve a decisive advantage over the West, one which would permit them to launch general war with assurance of success at some acceptable cost. Rather, what we know of these programs, and of their strategic thinking as well, suggests that they are aiming in the first instance at a capability large enough to deter a Western resort to general war. Further, they apparently believe that they have already in large measure achieved this end.

16. In addition to deterrence, the Soviets recognize that the forward policies which they wish to pursue involve some element of risk, and that they may not always be able to control these risks. In building their forces, they are probably seeking

- 10 -

SECRET

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an offensive capability large enough, not *only* to deter their opponent, but also to bring under attack those elements of US striking power which can be suitably attacked by ICBMs. On the defensive side, in addition to improving their defenses against manned bombers and cruise-type missiles, they are exerting major efforts to develop and deploy an effective anti-ballistic missile system. This combination of forces will be geared to preemption of a US attack, should the Soviets conclude that one was imminent, and to effective prosecution of general war if deterrence should fail.

17. The Soviet leaders are alert to search out areas where their military power can be brought into play to shield Communist efforts to advance by safer means, such as internal war in Southeast Asia or political blackmail in Berlin. We believe, however, that the USSR would wish to avoid direct involvement in limited combat on the Bloc periphery and, if such conflict should occur, to minimize the chances of escalation to general war. Consequently, it would not in most circumstances take the initiative to expand the scope of such a conflict. The degree of Soviet commitment and the actual circumstances of the conflict would of course determine this decision. But we believe that,

- 11 -

SECRET

SECRET

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In general, the Soviet leaders would expand the scope of the conflict, even at greater risk of escalating to general war, only if a prospective defeat would, in their view, constitute a grave political reverse within the Bloc itself or a major setback to the Soviet world position.

18. Within the limits set by these appraisals, the Soviet leaders have purposefully displayed both militancy and conciliation, at various times and in various proportions as seemed most profitable to them. Over the past year or so, however, the pressure of the Chinese challenge has helped to keep the "hard" line in the foreground. The thrust of the XXII Congress in this respect was to reassert the USSR's insistence upon full tactical flexibility. Thus the USSR has, along with the continued attacks on Chinese positions, taken a set of conciliatory moves such as removal of the Berlin deadline, agreement on a disarmament forum, and publication of Adzhubcy's interview with the US President.

19. These measures have accompanied, not replaced, the harsher tactics which comprise the militant side of peaceful coexistence. At the same time Finland has been bullied; atomic tests have been resumed; Soviet military strength has been stressed; the

- 12 -

SECRET

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Soviet position on Berlin remains highly demanding. The Congress attacks on the opponents of peaceful coexistence were meant only to make room for a full range of maneuver, not to seek a genuine accommodation with the West.

20. Currently, however, Soviet foreign policy is by no means completely freed of the pressures toward militancy which stem from the Chinese challenge. Should an open break occur, Moscow's initial reaction would probably be to emphasize "hard" tactics in order to justify tighter controls in Eastern Europe and to demonstrate that it was as vigorously anti-imperialist as its Chinese competitor. Over the long run, the consequences might be quite different; a protracted break might give important support to that tendency in Soviet foreign policy which seeks to put relations with the West on a more stable footing. It is conceivable that, faced with an actively hostile China whose strength was growing, the USSR might in time come to accept, at least tacitly, some mutual delimitation of aims with the West and thus some curb upon its universal aspirations.

21. For the present, nevertheless, we conclude that the XIII Congress has initiated no marked departures in the foreign policies which have emerged under Khrushchev's leadership of the

- 13 -

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last five years. On Berlin, the USSR is presently in an interim phase, marking time in order to determine whether its earlier pressures will bring the West to the negotiating table with at least some concessions or whether another round of threats, and perhaps even unilateral action, is required. Even a Sino-Soviet rupture would not be likely to alter the basic Soviet position on Berlin and Germany, since an important element in that position is the desire to stabilize the Soviet-controlled regime in East Germany and, by extension, those of Eastern Europe.

22. In the disarmament field, we perceive in recent Soviet moves no appreciable desire for agreements on terms which the West would regard as acceptable. Instead, the USSR continues to regard this as an arena for propaganda exploitation and, via maneuverings over parity and the composition of a forum, for enhancing Soviet stature and cultivating neutralist opinion. In addition to the theme of general and complete disarmament, the Soviets will probably also agitate such limited measures as regional schemes, agreements to limit the spread of nuclear weapons, and other proposals which might inhibit Western defense programs.

- 14 -

SECRET

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23. Sino-Soviet strains raise considerable uncertainties regarding prospective Soviet tactics in Southeast Asia. The USSR will probably continue to press cautiously its advantages in Laos and South Vietnam, seeking simultaneously to advance Communist prospects there, to avoid a major US intervention, and to keep Chinese influence from becoming predominant. A further radical worsening of relations between Moscow and Peiping, however, could lead to a breakdown of Bloc cooperation in these ventures. In this event, Moscow would probably try to retain as much control as possible through the North Vietnamese regime, which, at least initially, would seek to preserve the Soviet voice as a counterweight to China.

24. In recent years the USSR has consistently looked upon the underdeveloped countries of Asia, Africa, and Latin America as the prime targets for its tactics of peaceful coexistence. Beginning in about 1960, however, Soviet pronouncements have betrayed a sense of disappointment at the failure of some of the "older" neutrals, such as Nehru and Nasser, to move from the achievement of independence into a full association with Soviet policies and thence along the path toward Communist control. Nevertheless, the Soviet appraisal of its prospects in these areas

- 15 -

SECRET

SECRET

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remains highly optimistic. They continue to believe that, by harnessing anti-Western and anticolonial sentiment, extending judicious offers of military and economic assistance, and sponsoring the political ambitions of new governments, they can make important gains in weakening Western positions and preparing the ground for further advances. The Soviets will not abandon those states which they have unsuccessfully sought to draw into a client relationship. But they will probably increasingly focus their main energies upon Africa and Latin America and, within these continents, upon the radical nationalist leaders who are most easily set against Western ties and therefore most readily led into dependence. Soviet activity in these areas will continue to conflict with, and normally to take priority over, any desire to adopt a conciliatory line toward the major Western powers.

- 16 -

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Postscript: Khrushchev and the US

One feature of Khrushchev's policy deserves special mention: his ambivalent attitude toward the US. It is the chief enemy, the bulwark of reaction, the main impediment to his designs. But Khrushchev is contemptuous of weakness and respects power, and he has a genuine admiration for America. More than this, as the self-made leader of a once feeble and now newly powerful state, he earnestly desires that his successes and those of his country should be acknowledged by the nation which is, in his ultimate calculations, the only other one that really counts. His pain at American rebuffs, which his policies and conduct regularly provoke, is thereby the greater. Still, he wishes acceptance as an equal, and he makes in this respect little distinction between his person and his country. Thus while his doctrine tells him that the US is a failing giant and must, by definition, hate and contest him, an accolade from America is nonetheless necessary to make his triumphs complete.

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- 17 -

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