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CENTRAL INTELLIGENCE AGENCY

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| 7 October 1949 | | |
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INTELLIGENCE MEMORANDUM NO. 234

SUBJECT: Immediate Consequences of the Formation of an East German Government

② OIR-DD

3191 CIA Report

1. Conclusions.

The formation of an east German government will have only minor short-term repercussions throughout Germany. Soviet troop withdrawal from the east zone is not likely to follow in the near future. Propaganda based on the formation of the east German government will have negligible results in west Germany and only slight success in Berlin and eastern Germany. The area most sharply affected by the establishment of this government will be the western sectors of Berlin, where it will cause an increase of German pressure for inclusion of west Berlin as the twelfth Land of the Federal Republic.

The existence of two governments in Germany poses important problems. Despite the powerful influence which the USSR and the West will continue to exert over their respective regimes, the two states are likely to proceed, with or without the support of their respective occupation powers, with attempts to subvert and absorb each other. Such action could involve violence on a scale which would further aggravate East-West relationships in the area.

2. Discussion.

The administrative and propaganda groundwork for the establishment of an east German republic was carefully laid. The volume of Soviet propaganda which accompanied this move was great, but the effectiveness of much of it can be discounted.

In western Germany the repercussions of the establishment of the east German state will be negligible because the event has been so long anticipated and generally regarded as of no great significance. The Federal Government, preoccupied with internal problems and difficulties with the High Commission, will have little concern

Note: This memorandum has not been coordinated with the intelligence organizations of the Departments of State, Army, Navy, and the Air Force.

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with a rump east German state for a considerable time, even though the west German government will continue to pay lip-service to the concept of national unity. Border friction between police units of the two regimes will probably develop, however, and its intensity will depend on the extent to which the USSR and the Western Powers are prepared to support their respective regimes.

In eastern Germany, the formation of the new state which will include the present Soviet Zone and the eastern sector of Berlin will have little actual effect except to lower still further the morale of the population. For over a year the present control mechanism has exercised a nominal administration of German affairs under the strict guidance of the Soviet Military Administration. Under the new government there will be little change in the operations of these bodies or in the degree of Soviet control, though various components of the existing control mechanism will probably reappear as separate governmental ministries. This government will have little popular support, but will nevertheless be able to enforce its authority by police-state measures backed by the Soviet occupation forces. For immediate propaganda purposes Soviet and Communist spokesmen will continue to encourage German hopes for a separate peace treaty with the east German state, early withdrawal of troops and diplomatic recognition by the USSR and its satellites. Combined with wishful thinking, these Soviet-inspired rumors accompanying the formation of the new government will probably lead the Germans to expect a sizable decrease or withdrawal of occupation forces. Such a development is not likely at present, as according to current estimates, Soviet troop withdrawal would result in loss of control of the east zone of Germany. The ensuing disillusionment, plus the prospect of an indefinite continuation of present adverse conditions, will probably plunge the population into an increased apathetic acceptance of continued domination by the USSR.

In western Berlin, the immediate effect of the announcement of the new government will produce demands for the city's formal inclusion as the twelfth Land of the Federal Republic. The presence of the east German capital in the east sector of Berlin will probably result in improvement of the economic conditions in the east sector. This improvement will exert considerable attraction on the population and municipal administration of the western sectors, if west Berlin continues to be denied admission to the Federal Republic as the twelfth Land.

Friction between the two regimes will develop, and the east German government may even attempt to harass the Berlin garrisons of the Western Powers to a limited degree. In general, however, the effect within Germany of the formation of an eastern government will be negligible until the two German governments gain sufficient autonomy or are supported by their occupation authorities to such a point that one may attempt to absorb the other. Such action could involve violence on

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a scale which would further aggravate East-West relationships in the area. There is no reason to believe, however, that the formation of an east German government will have any important effect on existing official and unofficial relationships presently existing between Germans in both areas.

The USSR will attempt to use the east German government as a means of countering the attraction of the West German Republic as a focal point of German desires for unity. To enhance the appeal of the east German state, the USSR will probably try to give it the appearance of more independence than the West has given to the west German state. If the USSR succeeds in strengthening its position in Germany, it may ultimately make an official proposal that troops be withdrawn.

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