DIA AND DOS HAVE NO OBJECTION TO DECLASSIFICATION AND RELEASE.

DIA AND DOS review(s) completed.
CONCLUSIONS OF SPECIAL USIB SUBCOMMITTEE ON BERLIN SITUATION

The USIB has approved the following conclusions reached by its Special Berlin Subcommittee which reviewed the situation for the period 29 November through 12 December 1961:

1. During the period under review there have been more threatening implications in Soviet and East German statements and indications of preparations to increase pressure on the Western position in Berlin. We believe, however, that the USSR will not undertake any action which in the Soviet view would imperil the possibility of negotiations, particularly pending the outcome of the consultations among the Western
powers. Nonetheless this does not exclude harassing tactics designed to emphasize the consequences of a failure to hold East-West negotiations.

2. There is evidence that within the next several weeks new controls will be instituted along the Berlin sector boundary. All civilians may be required either to present passports or obtain visas for entry into East Berlin. Without directly denying access to Allied military traffic, the East Germans may attempt to enforce some degree of control designed to face the West with the alternatives of accepting East German regulations or denying themselves access to East Berlin. In this connection, heavy construction at the crossing points to East Berlin seems intended to deter forcible breach of the barriers. In general we believe that the East Germans will continue to maintain a state of tension in Berlin and to move gradually to gain acceptance of the wall as a full-fledged international frontier.

3. A new development since 30 November has been the extensive Communist charges that the American troops being rotated to Berlin are not guaranteed free access because they are subordinate to NATO command. This new line appears to be partly for the record to reinforce claims that the "outmoded occupation in West Berlin" aggravates "international tensions." However, slowdowns and delays on technical pretexts appear likely to continue on the autobahn, and temporary restrictions may be instituted. Recent East German charges of sabotage against the West Berlin portion of the S-Bahn installations, and warnings that such action could have serious consequences for Berlin's rail traffic with the outside world, may also presage institution of some new restrictions on rail access.

4. The Ulbricht regime continues to be faced with worsening food and consumer-goods shortages, a lack of raw material, fuel, and labor for industry, and unrelieved discontent among
industrial and agricultural workers. Nevertheless, Ulbricht indicated at the recent central committee plenum that he would press ahead with a hard-line political and economic program. The regime may be considering the reintroduction of rationing of essential commodities in the course of the winter, which, coupled with increases in selective work norms and prices, would heighten popular discontent.

WATCH COMMITTEE CONCLUSIONS

On the basis of findings by its Watch Committee, the United States Intelligence Board concludes that:

No Sino-Soviet bloc country intends deliberately to initiate direct military action in the immediate future.

BERLIN: There are indications the Communists will continue their pressure on the Western position in Berlin, including measures designed to harass and restrict Western access and to gain acceptance of the Berlin wall as an international border. However, their present military activity does not suggest that they expect these measures will significantly raise the risk of an early serious military confrontation.