

and dispersion and less effective terrain for defense. The level terrain of the Po Valley and the Italian Friullian Plain are favorable to an invader. However, even there the canals, intense cultivation, numerous towns, and stone boundary walls tend to restrict rapid cross-country movement.

(b) The terrain along the Austro-Italian border in northern Italy is generally favorable for defense. The southern alpine belt running generally from east to west is suitable for defense in depth in at least two successive positions. The terrain along the Italian-Yugoslav border is not generally favorable for defense. The best defensive terrain is the Isonzo River line. Key defensive terrain in the area consists of the Mount Guadra-Mount Corada complex and the rivers that flow southward into the Adriatic from the Friullian Plain.

(c) Numerous trails and one-lane all-weather roads exist throughout the Alps. These could be used by mountain troops. The plains area of northeastern Italy is the most extensive region in this sector suitable for Soviet armored and airborne operations. (For a complete terrain appreciation see Annex 4.)

c. (S) National Policies

(1) The year 1961 was one in which Soviet policy enjoyed some success, but also had to accept rebuffs. While Gagarin and Titov brought world acclaim to Soviet space achievements, Albania proceeded to defy Khrushchev and the Soviet Union in an unprecedented fashion. In general, 1961 was a year in which Soviet policy appeared to proceed in a curiously unplanned manner and to encounter situations that seemingly had not been anticipated fully, if at all.

(2) The great event of the Soviet calendar for 1961 was to have been the 22d Party Congress held during the last half of October. The congress was to have been the setting for the announcement of the new Party program, the first since 1919, which would outline the Communist way over the next 20 years. Instead, the congress probably will be remembered for the revival of Khrushchev's vendetta against his opponents in the so-called anti-Party group and the removal of Stalin's body from its place in the Lenin monument on Red Square. Khrushchev's conduct at the congress strongly suggests that he was defending himself, and counterattacking more than merely Stalin's memory or the discredited anti-Party group. Pressures against Khrushchev's personal position may have had something to do with the Soviet resumption of nuclear testing during the fall of 1961.

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(3) Nevertheless, in the field of foreign policy Moscow showed considerable calmness and deliberation during 1961. In the case of Germany, Moscow developed increased patience, again deferring the conclusion of a separate Soviet-East German peace treaty. It is probable that the erection of the wall between East and West Berlin served to take some of the urgency out of Moscow's approach to the Berlin problem. By cutting off the East German manpower loss the Communists removed the greatest threat to East Germany's long-term viability as a Satellite. It may also be that Khrushchev's meeting with President Kennedy in Vienna in June 1961 had a sobering effect on him.

(4) In any event, Khrushchev enters 1962 with a variety of problems besetting him. Perhaps the chief of them (and the ones on which there is the least information) are those involving Khrushchev's relations with the remainder of the Soviet leadership--and with Communist China, considering its increasing influence within the Bloc. Although Khrushchev could well adopt a tougher orientation toward the West in order to placate the Chinese Communists and a related "old-line" element within the Soviet Union, it is unlikely that he would do this out of conviction, or for more than tactical purposes and for short periods. Khrushchev may finally have come to realize that he can have an honest detente with the West, but that further Soviet pressure will only build greater Western strength and unity. On the other hand, he knows that within the Communist world concession can only be viewed as a sign of weakness. Hence, it would be in his own personal interest and in the Soviet Union's national interest to strike as good a bargain as he can with the West and to prepare for a long, hard siege of "peaceful coexistence" within the Communist world. Khrushchev himself may also be looking forward to the time when he can gracefully step down for reasons of health or age. A firm middle-of-the-road policy would make the transition easier in the event there is a change of leadership in 1962. (For further analysis of national policies see Annex 5.)

d. (C) War Production

(1) The Communist Bloc has continued to develop a firm industrial base for its economic growth. This process has involved the building up of capital goods industries in all of the Soviet Union's European Satellites. The Council for Mutual Economic Aid (CEMA) has continued its efforts to achieve complete Bloc-wide division of labor by assigning economic tasks to the Satellites according to their ability and resources. This division of labor applies also to the production of military end items. There is no evidence

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that war production has hindered economic progress, since an improvement in the standard of living has been reported from all the Satellites except East Germany. The latter country's economy has been largely disrupted by the events related to the refugee flow during the first half of 1961 and the subsequent building of the wall through Berlin. Agricultural productivity in Poland has been singularly high during the past year, and Rumania reports an unusual degree of economic success.

(2) It is probable that Soviet and Bloc armament production will remain below full wartime capacity, but nevertheless will continue to be more than adequate to support any type military action that might be launched against Western Europe. (For further discussion concerning armament production see Annex 6.)

e. (5) Resistance Potential and Internal Stability

(1) During 1961 two essentially incompatible developments took place within the Communist world. One was the walling off of East Berlin and the imposition of a broad political, economic, and military mobilization in East Germany, using measures reminiscent of the excesses of Stalinism. The other was Khrushchev's campaign, initiated at the 22d Soviet Party Congress, to remove the last vestiges of Stalin from within the USSR. The explanation of this seeming contradiction probably lies in Khrushchev's political goals in East Germany and in an apparent need to administer a shock treatment to the East German population. The Communists would like to rid the East Germans of any dreams of eventual reunification and force them into an earnest reconciliation with their "inevitable" Communist future.

(2) In his latest attack on Stalinism and the system of terror, Khrushchev may have been acting in the knowledge that resistance potential and internal stability no longer represent the problems they once did for Soviet hegemony in Eastern Europe, and that they would probably be revived only in the event of war, which Khrushchev evidently hopes and intends to avoid.

(3) The Soviets are aware of the tensions and weaknesses in the Bloc structure, which would be aggravated in time of war. There are still some Eastern Europeans who believe their only chance of eventual liberation lies in an East-West war. While the Soviets undoubtedly would be faced with problems of control in case of war, it is unlikely that the Satellite peoples would act collectively

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to hinder seriously the Soviet war effort until such time as Soviet forces suffered severe reverses. (For further discussion of resistance potential and internal stability see Annex 7.)

3. (S) Enemy Situation

The Soviet and Satellite Armed Forces discussed in this estimate are those considered to be available for a Communist offensive against central and southern Europe. These forces include the Soviet Armed Forces in East Germany, Poland, Hungary, and the western USSR; and the national forces of Bulgaria, Czechoslovakia, East Germany, Hungary, Poland, and Rumania. Although considered in this estimate, the status of Albania is not clear at this time.

Recent and Significant Activities

(1) Soviet Forces

(a) Group of Soviet Forces, Germany

1 The most significant activity during the past year was the Warsaw Pact command post exercise conducted primarily in East Germany from 3 to 12 October 1961. Warsaw Pact exercises have been anticipated for the past several years; however, until the fall of 1961 only observers from Poland and Czechoslovakia had participated in exercises in East Germany.

2 The most sensational development of the year was the closing of the East-West Berlin sector border on 13 August 1961. Training activity of GSFG units practically stopped because of the closing, and the Twentieth Guards Army deployed its three line divisions around Berlin. Line units of the other armies maintained a higher-than-normal alert status. By 1 September training had been resumed, but not at a normal tempo. The majority of the elements of the Twentieth Guards three line division deployed around Berlin returned to home stations in mid-September. However, battalion-size units from these divisions remained deployed around Berlin until mid-October. For the remainder of 1961 the "Berlin situation" remained a hot political, and at times military, issue.

3 Additional GSFG SA-2 surface-to-air missile (SAM) sites, in conjunction with East German Army (EGA) SAM sites, have considerably increased the air defenses of East Germany.

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The GSFG has 15 confirmed and at least 5 possible SAM sites. The location of 57mm antiaircraft artillery batteries adjacent to these sites indicates that the SA-2 does not have a reliable low-altitude capability. Observation of SA-2 equipment on the road indicates that the SA-2 is a mobile system.

4 Reports of sightings of missile-like objects continued throughout 1961. Two specific sightings by competent observers, on 26 and 27 October 1961, suggest the presence of free-rocket-over-ground (FROG) and SS-2 systems in East Germany. Until additional information becomes available, GSFG surface-to-surface missile (SSM) organization, including strength and equipment, cannot be determined with any degree of accuracy. However, the presence of GSFG FROG units and guided missile systems, to include SS-2 missiles, is accepted.

5 Considerable reorganization took place within the GSFG during 1961, primarily during May:

a Rocket launcher regiments from each of the six armies returned to the USSR in May 1961.

b The 2d Artillery Brigade, Second Guards Tank Army, departed Dallgow in May 1961 and was relocated within the Second Guards Tank Army area.

c The 34th Artillery Division was reorganized in May 1961, but still consists of three brigades.

d Twenty-one medium antiaircraft artillery battalions (3 battalions from each of 5 armies, and 3 from each of the 2 GSFG antiaircraft artillery brigades), departed for the USSR during May 1961. (The Eighteenth Guards Army did not have an antiaircraft artillery brigade.)

e The 10th Guards Tank Division, Twentieth Guards Army, was reorganized by transfer of the heavy tank regiment and assault gun battalion and addition of a third medium tank regiment. While not confirmed, it is possible that the 7th Guards Tank Division, Eighteenth Guards Army, was also reorganized in the same manner.

f Sightings in combined arms army areas of heavy tanks and assault guns not associated with combined arms army tank divisions indicates that the combined arms armies may have a

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separate heavy tank regiment and assault gun battalion. There is an unidentified heavy tank regiment and assault gun battalion at Langensalza in the Eighth Guards Army area.

6 In early August 1961 Colonel General Yakubovski was replaced as Commander in Chief, GSFG, by Marshal I. S. Koniev. Colonel General Yakubovski had served in the GSFG since 1955, and, after 15 April 1960, as the Commander in Chief, GSFG. Marshal Koniev, who is 64 years old, was believed to have been retired for health reasons in July 1960. His last assignment had been Commander in Chief, Warsaw Pact Forces. Colonel General Yakubovski remained in the GSFG as Deputy Commander in Chief.

7 During 1961, 10 temporary restrictions were imposed upon the travel of Allied Military Liaison Missions. This represented four fewer restrictions than in 1960. Although the ninth temporary restriction covered a considerable portion of East Germany, much of the Warsaw Pact activity was not in the restricted area. Probably this was deliberate.

(b) Northern Group of Forces (Poland)

1 Information concerning training activities in the Northern Group of Forces (NGF) continued to be meager during 1961, since the majority of training was conducted in the Swietoszow and Borne Training Areas, both of which are closed to observation.

2 Considerable low-level information of Soviet reinforcement and movement into and through Poland was received during the August-October period. However, no reliable observations of increases in Soviet strength within Poland were reported. Therefore, although some movement did take place, and some reinforcement of the NGF may have taken place, no estimate of the extent of either can be made. Increased activity at NGF headquarters in early October was probably associated with the Warsaw Pact command post exercise in East Germany, and the NGF probably participated in this activity from locations in Poland.

3 The largest Soviet exercise observed in Poland to date took place during the middle of November. Exercise activity by elements of the Soviet 20th Tank Division was confirmed in southwest Poland. Probably elements of the Soviet 26th Guards Mechanized Division from Borne, the Thirty-seventh Tactical Air Army (with headquarters in Legnica), and possibly Czech Army units also

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participated. During the same period Polish Army units within this area were reportedly at home stations. It is unlikely that Czech units would be involved in such an exercise and Polish units not involved. The participation of Czech units is doubtful, since it is based on a single low-level report of the sighting of Czech tanks, the observation of four large Czech trucks with soldier drivers, and the observation of three Czech officers in the rail station at Zielona Gora. The Czechs may have provided token participation and observers. The scheme of maneuver and exercise objectives have not been determined, but movement was generally north and south, extending from Luban in the south to the Sulecin Training Area in the north. It was possibly a division opposed, tank/mechanized exercise with air support, emphasizing the crossing of water barriers.

(c) Southern Group of Forces (Hungary)

1 Numerous reports regarding major changes in the Southern Group of Forces (SGF) strength were received during the year. Some reports indicated that the Soviets were reinforcing the SGF with as many as three or four divisions, while other reports suggested Soviet troop withdrawals. The rotation of Soviet units to and from major training areas and firing ranges, which involved considerable military movement and resulted in the light occupation of installations, was undoubtedly the basis for most of these reports. There was probably no significant change in the personnel strength of the SGF.

2 Army General Pavel I. Batov became the Commander in Chief of the SGF in mid-1961, replacing Lieutenant General Nikitin. General Batov had considerable high-level command experience during World War II and commanded the Baltic Military District until January 1960. It appears that he was in a semiretired status from January 1960 until the appointment to his new post. General Batov is a contemporary of Marshal Konev, who became the Commander in Chief of the GSFG this year. The appointment of these two officers from a semiretired status, to replace men with far less high-level command and staff experience, underlined Khrushchev's apparent desire to have his most trusted and experienced military leaders in key positions during a tense international crisis.

3 The SGF conducted a very intensive field training program in 1961. Battalions and regiments rotated to major training areas throughout the year, and division-level exercises were conducted in late September.

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(d) USSR

1 The 1,200,000 reduction in the Armed Forces, which the Soviets announced would be accomplished during 1960-61, appears to have proceeded even more slowly during the first half of 1961 than it did in 1960. It is estimated that a reduction of 650,000, of which 375,000 were ground forces, was made during the period January 1960-July 1961. In July 1961 Khrushchev announced the suspension of the reduction-in-force program and an increase of 3.14 billion rubles in the current defense budget. This was followed in September by an order from Marshal Malinovskiy, the Soviet Minister of Defense, announcing the retention of selected personnel in the Armed Forces beyond the time of their normal release to civilian life. This order was included in the regular annual announcement of the draft. The combination of a normal draft and the retention of all personnel whose terms of service expired during the last 4 months of the year could have resulted in an increase of approximately 600,000 in total Armed Forces strength, although such an increase is considered unlikely.

2 Barring a further deterioration in international relations, it is considered probable that strength increases will be limited to bringing some understrength divisions to combat strength, increasing operational SSM and SAM units, and retention of certain specialists. An increase of 250,000 in the Soviet ground forces is accepted.

(2) Satellite Forces

(a) Bulgarian Army

1 Bulgarian Army training followed the usual pattern in 1961, with unit field training starting in early February, progressing to regimental- or division-level exercises in the summer, and probably culminating in division-level training in October and November. For the third consecutive year training did not include large-scale army-level maneuvers.

2 In the annual "Liberation Day" Parade, held in Sofia on 9 September 1961, 12 Guideline missiles were observed for the first time. Such missiles had been shown in earlier parades in Hungary, Czechoslovakia, and Rumania, but the 12 missiles observed in the Sofia parade constituted the largest number publicly displayed in any European Satellite.

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3 During July and August it was reported that the Bulgarian Internal Security Forces appeared to have been disbanded or greatly reduced. Reports from various sources indicate that the Internal Security barracks in the Plovdiv and Sofia areas were deserted. No Internal Security enlisted men and very few officers were observed in the large cities of Bulgaria. It was further reported that the Internal Security personnel had been absorbed by the army, border guard, and militia. Until these reports are confirmed, USAREUR will continue to carry Internal Security Forces in Bulgaria.

4 The 15th Rifle Division, Pleven, formerly believed to be in caretaker status, has been accepted at normal strength. The 6th Tank Brigade, Sliven, has been raised to division size. No recent information has been received concerning the 17th Rifle Division at Kurdzhali, which was inactivated and its elements merged with the 2d Rifle and 5th Tank Divisions.

5 Several reports were received during 1961 of the sighting of JS-type heavy tanks in Bulgaria, but heavy tanks have not been confirmed in any unit. An increase in the number of T-54 tanks and 130mm antiaircraft guns in the hands of the troops was observed. The 20 130mm antiaircraft guns observed in the vicinity of Ruse during mid-January 1961 constituted the largest sighting of this weapon in any Satellite and indicates that the Bulgarians may have priority on the receipt of heavy antiaircraft guns.

6 The Bulgarian Army's response to the Berlin crisis was a temporary strength increase of 40,000, for a total strength of 150,000. This build-up was accomplished by a selective call-up of reserves and by holding in service a portion of the conscript class originally scheduled for release in August. The majority of the personnel involved in the increase were used to raise the standing line divisions to an estimated 80-85 percent of full strength. By the year's end, however, discharges were taking place, and the strength increase was probably being phased out.

(b) Czech Army

1 Partial mobilization during August increased the Czech Army by approximately 100,000-125,000 men. The eight line divisions in Bohemia were brought up to full wartime

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strength, while the remainder of the Czech Army elements were augmented to approximately 65 percent strength. Since early October the army has conducted battalion- and regimental-level training and two possible division-level exercises.

2 The Czech Army shows indications of accelerating its modernization program by replacing T-34 with T-54 tanks. New automatic rifles and submachine guns have been issued to the troops, and recent sightings of troops undergoing instruction in the use of these weapons have been reported.

3 Reinforcement of the Czech-West German border by elements of the Czech Army was noted during August and September. Border Guard (PS) units consolidated their holdings, thus enabling army troops to occupy previous PS positions. Large concentrations of tanks, infantry, artillery, and armored vehicles were observed on the border near Cheb, Rozvadov, Zelezná Ruda, and Volary. The border area was further strengthened by the construction of new fortifications.

(c) East German Armed Forces

1 The East Germans increased their military strength by an estimated 30,000 men in the fall of 1961. However, because the Garrisoned Security Forces were at a lower strength than that carried by USAREUR, the net strength increase accepted by USAREUR in 1961 was 11,500. The army strength reached 80,000 and was held at this level by deferring the November 1961 discharge period until the spring of 1962.

2 The Border Security Police (BSP), less one brigade that was transferred to the Security Alert Police (SAP), was resubordinated to the Ministry of Defense in September 1961. The BSP was redesignated the Border Command (BC). Since October 1961 the BC has been engaged in a major reorganization, which is expected to result in the formation of an unknown number of light motorized rifle divisions to be stationed along the East-West German border. A large number of BC units have been transferred to the East-West German border from the Polish and Czech borders and the Baltic coast. These transfers began in the spring of 1961 and continued at least until October. The present status of the brigades formerly located on the Polish and Czech borders and the Baltic coast is unknown.

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