1. Department appreciates Bonn's views implications for US policy of unrest East Germany and refugee flow. Also Berlin's reporting these subjects.

2. After reviewing information available, Department has impression either of two contingencies could arise. First, and more likely, if refugee flood continues, East German regime might take measures designed to control it. They could do this either by tightening controls over travel from Soviet Zone to East Berlin or by severely restricting travel from East to West Berlin. Second, situation in zone could deteriorate sufficiently to lead to serious disorders.

3. We believe Soviets watching situation even more closely than we, since they are sitting on top volcano. For moment at least, Soviet policy is to tolerate loss of refugees, while pressing toward decision on Berlin. Continued refugee flood could, however, tip balance toward restrictive measures. If Khrushchev became seriously concerned situation East Germany, he could either call for
call for showdown on Berlin or slacken pressure in order give regime time get economic house in order.

4. Like Soviets, US is faced with climate on East Germany. While we would like see unrest there cause Soviets to slacken pressure on Berlin, we would not like see revolt at this time. Nor would US like see drastic measures taken halt refugee flow, particularly since this might only fan flames in East Germany.

5. ztbeawzafs Soviets and GDR leaders seem to be creating enough difficulties for themselves in East Germany, without US taking a hand. We plan, therefore, do nothing at this time which would exacerbate situation.

6. This does not preclude, however, our helping advertise facts to world, in such way as not to encourage East Germany to revolt or to expect US assistance if they do.

7. Department considering plans meet contingencies discussed paragraph 2. If GDR tightens travel controls between Soviet Zone and East Berlin there is not much US could do, other than help advertise facts. If GDR should restrict travel within Berlin, US would favor countermeasures, at least in TTD field and perhaps economic. decided in light of circumstances at the time.

8. In event uprising East Germany, US course of action would be decided in light of circumstances at the time.

9. Would appreciate comments receiving posts.

RUSK