

The Berlin Blockade: CIA Summaries *October 1948 to January 1949*

Weekly Summary Excerpt, 29 October 1948

U.N.: Soviet Veto on Berlin

Soviet representative Vishinsky's moderate veto statement, made during the voting on the Security Council compromise proposal, suggests that the U.S.S.R. may be interested in an eventual face-saving solution of the Berlin dispute. Vishinsky barely referred to the contention of the U.S.S.R. that the U.N. has no jurisdiction over the Berlin controversy. The Soviet representative defended the veto largely on the grounds that the proposed ending of the blockade and the introduction of the Soviet currency in Berlin were not to be simultaneous. This implicit willingness to accept the U.N. as a forum for negotiation on Berlin indicates that there is still some possibility that the U.S.S.R. is interested in finding a compromise solution to the dispute.

The Soviet Union may now be inclined toward conciliation because it recognizes that the Berlin blockade has failed to dissuade the western powers from proceeding with a separate organization for western Germany or to force them out of Berlin. The U.S.S.R. may even recognize that the present success of the airlift, combined with the firm stand of the western powers has: (1) raised western prestige in Germany and increased German hostility to the Soviet Union; (2) spurred western plans for rearmament and military coalition; and (3) precipitated the local problem of Berlin into a crisis of world scope, far exceeding Soviet calculations. While awaiting further developments in the U.N., the U.S.S.R. will also look for positive evidence that the airlift can, or cannot, overcome the Berlin winter.

Germany: Soviet Action in Eastern Germany

Soviet action in eastern Germany during the past three months indicates that the Kremlin is accelerating preparations which would permit the establishment of an eastern German government capable of assuring Soviet domination with or without the support of Soviet occupation troops. The communist-dominated Socialist Unity Party (SED) is undergoing a purge which will ultimately replace all members of non-communist parties and unreliable communists now holding key positions in the SED with reliable Stalinist communists. The cadre thus formed will become the instrument for tightening communist control of the SED, the Volkskongress, and other communist front organizations. In conjunction with Soviet domination of the German Economic Commission and the Administration of the Interior, the SED will contribute materially to Soviet control of eastern Germany through a communist minority. Moreover, a disciplined SED will facilitate Soviet-communist control of the Soviet sector of Berlin following the anticipated split in the Berlin city government after the 5 December western sector elections. In addition, eventual Soviet domination of eastern Germany is being facilitated by efforts to strengthen and reorganize the Administration of the Interior. The Administration, through the SED party structure, is now in practically full control of the zonal government down to a county level; the framework of the Administration thus is strikingly

similar to the centralized police system of the Nazi regime. The Administration can now exercise most of the powers of a Ministry of the Interior in a totalitarian state, including control of public prosecutors through the criminal police. Approximately 15,000 specially trained and selected police, under the control of the Administration and quartered in barracks throughout the Soviet Zone, are being equipped with carbines and machine guns, and they may eventually be equipped with heavier weapons. In the hope of appealing to German nationalism, this new police force may be headed by Germans formerly identified with the Free German Committee.

Weekly Summary Excerpt, 3 December 1948

The Berlin Dispute

Despite the Soviet Union's acceptance of the proposal by the U.N. neutrals to continue negotiations on the Berlin currency question, Soviet establishment of a regime for East Berlin, by completing the political and administrative division of the city, has greatly increased the obstacles to a settlement of both the Berlin dispute and the entire German question. The U.S.S.R. has utilized the U.N. negotiations to gain time for consolidating the Soviet position in Berlin and eastern Germany. Moreover, by exerting greater pressure upon the western powers to withdraw from Berlin, the U.S.S.R. has now relegated the currency question to relative insignificance in comparison to the far more explosive problem inherent in the establishment of two separate governments in Berlin.

"Rump" Government

Establishment of a communist "rump" government in Berlin represents a Soviet attempt to counter the 5 December elections in the western sectors and to block U.N. interference in city affairs. This latest move has placed the Kremlin in the position of being able to make "paper" concessions to the west on four-power currency control for Berlin with the knowledge that such concessions can only be implemented through a centralized administration in the city. Thus, even if agreement on currency is reached, these recent Soviet moves will make it necessary for any future conference on the Berlin dispute to deal with the problem of city government. In such a conference, the U.S.S.R. might demand a consolidation of the two separate city governments. Any resulting "compromise" government would: (1) provide the U.S.S.R. with communist representation in key positions, far out of proportion to that which could reasonably be expected in an open general election; (2) increase communist ability to impair the functioning of the Berlin government; and (3) strengthen the Soviet potential for undermining the position of the western powers in Berlin.

Economic Consequences

The immediate effect in Berlin of the creation of a separate communist government will be to intensify the political and economic impasse by making normal city government virtually inoperable. Following the 5 December elections in the western sectors of the city, the U.S.S.R. may complete the economic split of the city by carrying out its already publicized threats to take measures which would: (1) require workers living in the Soviet sector and working in the western sectors or vice versa to change either their place of residence or their place of employment; (2) force some of the industrial and commercial enterprises in the west sectors to stop production while municipal gas lines, water

mains, and sewers, now functioning as a city-wide unit, were being reconstructed to fit sector boundaries; (3) seriously impair maintenance and operation of surface transportation; (4) cut off electricity for the S-Bahn intercity trains in western sectors; (5) stop subways and elevated trains at zonal boundaries; and (6) disrupt telephone, telegraph, and postal services while they were being re-established on an east-west zonal basis.

Tightening Blockade

In addition to possible Soviet actions which would completely cut off still functioning municipal services from the western sectors of Berlin, recent re-groupings of the Brandenburg land police suggest that the U.S.S.R. may throw a cordon around the western sectors of the city. Hitherto, a considerable unofficial barter of goods and a lively traffic in illicit terms between the western sectors of Berlin and Soviet-occupied territory have materially relieved the needs of the western sector population. Although the Soviet noose around Berlin has been deliberately left loose because of trade advantages derived by the U.S.S.R., energetic police action could substantially reduce those important commercial operations. If this tightened blockade is imposed and effectively implemented, a material increase in the airlift will be necessary in order to maintain the present level of health and economic welfare of western sector residents.

Weekly Summary Excerpt, 14 January 1949

Soviet Intentions in Germany

Recent Soviet and Satellite propaganda indicates that the Kremlin may now consider the early formation of an east German state to offer several advantages. Rather than attempt to cast the blame for a split Germany upon the western powers by waiting until the establishment of a west German provisional government, the U.S.S.R. may now "justify" formation of an East German state which claims sovereignty over all of Germany on the grounds that current plans for a west German state are virtually completed. Such propaganda claims, however, would have little effect within Germany. Although actual Soviet troop withdrawals following establishment of the new state would depend upon how quickly the U.S.S.R. could safely transfer authority to the German puppet regime, the U.S.S.R. could easily recognize the new German state and then accede to its request for the continued presence of Soviet soldiers. The Kremlin would probably estimate that such an arrangement, if accompanied by partial withdrawal and implying later complete withdrawal, would have a propaganda appeal throughout Germany and could result in increased demands for withdrawal of the western powers. In addition to these advantages for the U.S.S.R., some measure of Soviet prestige within Germany might be salvaged and general attention would be temporarily diverted from the Berlin blockade. Moreover, the U.S.S.R. could avoid at least partial responsibility for the continuation of the blockade by insisting that the communist rump government had control over Berlin. In any event, such an action would have the effect of interjecting an allegedly legal government for all Germany into the Berlin conflict.

Weekly Summary Except, 11 March 1949

Germany: Berlin Currency

Although Soviet reaction to the proposed issuance of the western "B" mark as the sole currency for the western sectors of Berlin will be swift and well publicized, the U.S.S.R. is not likely to interfere seriously or forcefully with the operation of the airlift. Soviet retaliatory action will probably take the form of further tightening of the blockade and may involve conversion of the Soviet eastern mark to a new currency. Soviet measures to curtail the movement of supplies from Soviet-controlled territory to the western sectors will increase the hardships of the western population, further impair the west sector economy, and probably require an increase in the airlift. Soviet authorities could tighten the land blockade by: (1) halting all rail traffic, including the S-Bahn and streetcars; (2) cutting off water traffic on the canals; (3) stopping or sharply reducing pedestrian traffic between the western sectors and Soviet-controlled areas; (4) barring all mail service; (5) cutting west-sector long-distance phone cables, local inter-sector phone lines, and all telegraph cables; and (6) splitting completely Berlin's systems of electrical, gas, and water supply, and the sewage disposal facilities. In determining the extent to which these measures will be applied, the U.S.S.R. will be restrained primarily by the economic repercussions in the Soviet zone, which would be deprived of important materials and skilled labor now being received from the western sectors of the city. If the U.S.S.R. converts its present eastern mark, it will do so in order to prevent eastern marks presently held in western Berlin from flowing back into Soviet-controlled territory. Such a Soviet move would leave western sector occupation authorities with the moral obligation to redeem a very large number of relatively worthless eastern marks in order to avoid undue hardship for the German holders of this currency.