TO: Deputy Director (Intelligence)

SUBJECT: The Berlin Situation

Recent developments here have been several reports in the press that the Berlin sector of the country will be sealed, thus abrogating Berlin's status as a UN Security Council

Four-Power city. In this connection, according to the latest information, preparations reportedly have been made which would enable additional trains to operate from Potsdam to West Berlin via the outer ring, bypassing East Berlin.

According to an unconfirmed report East Berlin-Potsdam traffic is to be routed over the Berlin Outer Ring and the wooden S-Bahn stations near the sector border at Baumschulenweg and Friedrichstrasse are to be reactivated. This suggests that S-Bahn traffic through West Berlin is to be greatly restricted to permit customs checks at the wooden stations which were specifically designed for customs checking purposes when built two or three years ago. Steam-driven trains via Baumschulenweg to Potsdam over the Outer Ring could be used to carry passengers to Potsdam. This would result, but not eliminate S-Bahn traffic service in West

Berlin.

Recent East German arrangements have included increased controls over international transit, consisting of thorough searches of cargoes, a greatly increased number of mail cars for trains, and confiscation of parcel, post and freight shipments. Highway traffic has been subjected in all ways to intensive searches of passengers and cargoes. Threats have been made by the East Germans that they will control over the air routes into Berlin.

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Soviet interference with Allied traffic has been sporadic and inconsistent. Negotiations on new documentation procedures have been in progress for some time, but the Russians continue to raise objections to Allied procedures on a variety of pretenses.

The East Germans and the Russians have the capability to seal both the zonal and sector borders without prior warning if they should decide to take such a drastic step. An example was the East German regime's 13 October currency conversion with complete secrecy. In connection with the conversion, the regime sealed the Berlin sector borders, and stopped all autobahn traffic between West Germany and Berlin.

This series of harassments of Berlin has been undertaken by the East German regime apparently with the purpose of eroding the Allied position there and establishing East German authority over its zonal territory and East Berlin.

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