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CENTRAL INTELLIGENCE AGENCY
WASHINGTON 25, D. C.

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28 June 1948

MEMORANDUM FOR THE PRESIDENT

The following are intelligence reports just received on the situation in Berlin.

The Chief of the German police of the French sector has shown us a letter stating that all plans for a general strike in Western sectors should be made immediately and that plans for a transport phase of strike should be ready to be put into effect by 9 a.m., 28 June 1948.

Soviet inspired Communist terrorism is expected. The German police are believed capable of coping with such a situation unless Soviet troops take part. The SPD leaders and functionaries of greater Berlin have held a meeting and discussed the formation of action committees in factories and local districts to be activated by pre-arranged signals. This step was taken on the return of the delegates from the Warsaw conference. The official position of the Communist Party of Germany is that the currency change produces a revolutionary change in Berlin which must be used to bring a Communist victory which is considered synonymous with the withdrawal of the Western Allies. Since the Soviets no longer consider the Western powers as Allies, the German Communists are not to be limited in means they employ against the West.

The German Communist Party is to prepare strikes and demonstrations which will be carried out in the Western sectors in the next few days to give the impression that the presence of the Western Allies in Berlin is made impossible by the will of the population rather than by Soviet compulsion. The German Communist Party is to take steps to show that the Russians are to be acquitted of any blame for food shortages, power failures, etc., in Berlin. All loyal German Communists are called upon for extraordinary efforts, if required, within the next few days with the reward being held out of the possibility of winning all Germany for the Communist cause.

The German police radio in the American sector has been systematically jammed by an unknown source for the last two days. This American-controlled police radio, essential in case of disorders and



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rioting, is now practically ineffective. The U. S. Air Force has just supplied a transmitter strong enough to broadcast over this interference, and radio reception is improved although by no means satisfactory. The jamming station could not be located as it is believed it is a mobile station and operated from various points.

A report from a source indicates that a German government will be announced in the near future, stating that this will take place not later than 3 July 1948. The officials of this government are reported to be:

Prime Minister	Otto Pieck
Foreign Minister	Otto Grotewohl
Interior	Eric Reschke
Trade	Fritz Seppman.

Dissemination of the above items has already been made to the State Department and the Armed Services.

R. H. HILLENKOTTER
R. H. HILLENKOTTER
Rear Admiral, USN
Director of Central Intelligence

