

~~CONFIDENTIAL~~
~~SECRET~~

~~_____~~
OCI NO. 2322/60
28 May 1958

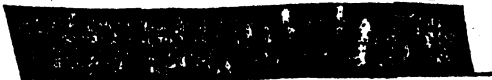
CURRENT INTELLIGENCE WEEKLY SUMMARY



CENTRAL INTELLIGENCE AGENCY
OFFICE OF CURRENT INTELLIGENCE

~~CONFIDENTIAL~~
~~SECRET~~

Approved for Release
Date: SEP 1993



38

~~SECRET~~

CURRENT INTELLIGENCE WEEKLY SUMMARY

28 May 1968

PART II (continued)

NR



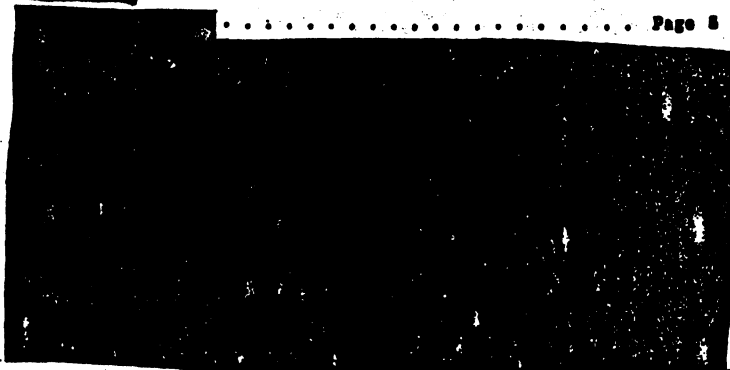
Page 3

EAST GERMANY MAY MOVE AGAINST BERLIN SECTOR "BORDER CROSSERS"

Page 4

The East German regime may be preparing a drive against the estimated 40,000 persons who live in East Berlin and work in the Western sector of the city. The East German Government has charged that many of these "border crossers" are engaged in illegal currency manipulations and in smuggling of goods in both directions. An all-out campaign at this time would not be in the Communists' interests, however, since it would tend to increase tensions and emphasize a determination to abrogate the four-power status of the city by unilateral action.

NR



Page 5

~~SECRET~~

FORM NO. 107 10-66

~~SECRET~~

CURRENT INTELLIGENCE WEEKLY SUMMARY

28 May 1959



NR

EAST GERMANY MAY MOVE AGAINST BERLIN SECTOR "BORDER CROSSERS"

The East German regime may be preparing a drive against persons who live in East Berlin and work in the Western sector, according to unconfirmed reports from Berlin.

Such a drive against these "border crossers" would have one or more of the following purposes: a) to isolate West Berlin from East Berlin and East Germany; b) to renew pressures on the West Berlin government to negotiate on this issue; c) to force skilled workers living in East Berlin to take jobs in East Berlin or East Germany in order to relieve

the serious labor shortage and fill positions opening up in East Germany's expanding industry; and d) to eliminate or reduce the present uncontrolled transactions in East German currency at other than official rates.

The Communists are not likely to undertake an all-out campaign at this time, however, since it would tend to increase tensions and emphasize a determination to abrogate the four-power status of the city by unilateral action. Under Berlin's present status, all residents have a right to move freely to any part of the city.

~~SECRET~~

~~SECRET~~

CURRENT INTELLIGENCE WEEKLY SUMMARY

28 May 1959

An estimated 40,000 residents of East Berlin or East Germany now work in the Western sector, an increase of some 6,000 since 1957, while during the same period the number of West Berlin residents working in East Berlin declined from approximately 16,000 to about 13,800. The East German Government has admitted that many border crossers are engaged in illegal currency manipulation and in smuggling of goods in both directions. Under present arrangements the East-to-West border crossers receive 40 percent of their wages in West marks and the remainder in East marks at a 6-to-1 rate. The West-to-East crossers are permitted to exchange 80 percent of their wages into West marks at the official 1-to-1 rate. Since the present free-market rate of exchange is about 3.5 East marks to 1 West mark, the border crossers can realize a tidy bonus.

In addition to the advantages of the currency situation and the opportunity to shop in both parts of the city, there are other reasons why many residents of East Berlin continue to live there. One of the most important is the continued housing shortage in both parts of the city, despite the vast amount of building in West Berlin. If a person has a house, even in East Berlin, he will try to keep it rather than move to West Berlin through refugee channels and go to the bottom of the long list of people waiting for housing.

The East German regime undertook brief intensive campaigns in 1957 and in 1958 to reduce the number of border crossers. The major result of such campaigns was to induce the border crossers to make a permanent move to West Berlin or West Germany. A new drive at this time probably would have a similar result.



NR

~~SECRET~~

PART IV

NOTES AND COMMENTS

Page 5 of 19