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## HEADQUARTERS

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#### INTELLIGENCE UPDATE BULLETIN

TITLE: COLD WAR ONSET AND GERMAN DIVISION REVIEW

DATE: JULY 12, 1949

TO: ALL ASSIGNED COMMANDERS

FROM: LT. COL. J. J. BOYCE, INTELLIGENCE DIVISION

#### I. SITUATION OVERVIEW:

This bulletin serves to update all commanding officers on the evolving geopolitical situation in post-war Germany and the rising tensions between Allied and Soviet forces, which have significant implications for future operations and strategic positioning.

### II. POST-WAR TENSIONS RISING:

**Overview:** Following the end of World War II, ideological and political divisions between the Allies and the Soviet Union have deepened, primarily over the reconstruction and political future of Europe.

# Key Points:

Disagreements surfaced prominently during the Yalta and Potsdam conferences concerning the governance and reconstruction of post-Nazi Germany.

Initial cooperation has degraded into mutual suspicion and preparation for potential conflict.

## III. DIVISION OF GERMANY POST WWII:

**Overview:** Germany has been divided into four occupational zones, controlled separately by the United States, the United Kingdom, France, and the Soviet Union.

# Key Points:

Each zone is governed according to the occupying force's policies, leading to disparate economic and political conditions across zones.

Berlin, located in the Soviet sector, is also divided into four corresponding sectors, creating a unique strategic pressure point.

## IV.DIVISION OF BERLIN:

**Overview:** The division of Berlin into sectors controlled by different allied powers has set the stage for direct confrontations and is a microcosm of broader global tensions.

# Key Points:

Despite being deep within the Soviet zone, Western sectors of Berlin maintain a presence of US, UK, and French forces, complicating Soviet movements and intentions in the region.

## V. CURRENCY CONFLICTS:

**Overview:** In 1948, the introduction of the Deutsche Mark by the Western Allies in their zones (and in their sectors of Berlin) precipitated a serious conflict with the Soviets, who responded with the Berlin Blockade.

# Key Points:

The new currency was seen by the Soviets as a unilateral move to stabilize and potentially reunify Germany under Western terms, undermining Soviet interests in their occupied zone.

#### VI. IDEOLOGICAL CONFLICTS:

**Overview:** The fundamental ideological divide between capitalism, as advocated by the United States, and socialism, as advocated by the Soviet Union, underpins much of the tension.

# Key Points:

These conflicting ideologies are influencing not only the governance of occupied zones but also the strategic decisions and alliances forming in post-war Europe.

## VII. CONCLUSION AND RECOMMENDATIONS:

Commanders are advised to stay informed on developments within Germany and prepare for a range of scenarios that may require rapid strategic adjustments.

Continued analysis of Soviet strategies and intentions is crucial for anticipating future moves and countering Soviet influence in Europe.

## AUTHORIZED BY:

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