

9 ★ ★ ★ ★

The Berlin Issue

An Official Record
Of Negotiations



Published in China by
THE UNITED STATES INFORMATION SERVICE

1948

★ ★ ★ ★

★ ★ ★ ★ ★

The Berlin Issue

An Official Record

Of

江苏工业学院图书馆
藏书章



Published in China by

THE UNITED STATES INFORMATION SERVICE

1948

★ ★ ★ ★ ★

STEPS LEADING UP TO PRESENT BERLIN SITUATION REVIEWED

Discussions with the Soviet Government on the Berlin situation, which have been in progress since July 30, have now broken down.

The Soviet Government has disclosed certain material about the discussions. This makes it desirable to place the full documents in the case before the public.

The Governments of the United States, the United Kingdom and France, conscious of their obligations under the Charter of the United Nations, took the initiative in approaching the Soviet Government for informal discussions in Moscow in order to explore every possibility of preventing the deterioration of an already dangerous situation in Berlin.

During the discussions in Moscow, the three Western powers consistently refused to accept any arrangement which would impair their co-equal rights as joint occupying powers of the city of Berlin.

After long and patient discussion, agreement in principle was arrived at, specifically confirmed by Premier Stalin at the meeting of August 23, whereby the restrictive measures placed by the Soviet Military Government upon communications between the Western zones and Berlin would be lifted simultaneously with the introduction of the Soviet mark as the sole currency for Berlin under four-power control of its issue and continued use in Berlin.

As a result of the above understandings, a directive was sent to the military governors in Berlin to work out the technical arrangements necessary to give them practical effect. Introduction of the Soviet mark in Berlin was to be carried out in such a way as to ensure a satisfactory basis for trade between Berlin and third countries and the Western zones of Germany.

The position taken by the Soviet military governor, Marshal Vassily Sokolovsky, during the talks in Berlin, however, made it impossible to carry out in practice the arrangements reached in Moscow. The representatives of the Western powers thereupon in an aide memoire called to the attention of the Soviet Government the fact that the position taken by Marshal Sokolovsky constituted a departure from what was agreed upon in Moscow and struck at the very foundation upon which these discussions were undertaken and requested the Soviet Government to issue the necessary instructions to the Soviet military governor for carrying out the agreed directive.

Foreign Minister Viacheslav M. Molotov's reply failed to provide a basis for carrying out the previous agreements, and this fact was pointed out to the Soviet Government in a note from the three Western powers. This note clearly stated the final position of the three Governments on the points at issue, and requested the Soviet Government to state "as soon as possible" whether, in order to create conditions which would permit a continuance of discussion, it was now prepared to remove the blockade measures.

The Soviet Government, by its unilateral action in imposing an illegal blockade on the city of Berlin and by its subsequent unwillingness to make in good faith a practical arrangement for the removal of this blockade, has created a situation of the utmost seriousness, involving not only the disregard of the rights of its allies in the recent war but also the use of methods not permissible in the relations between sovereign states and contrary to the Charter of the United Nations.

Even while the negotiations were in progress, the Soviet authorities in Berlin have permitted, if not actually instigated, attempts, following an all too familiar pattern, of the minority groups sympathetic to their political aims to impede and overthrow the legally elected government of the city of Berlin.

It is now clear that the Soviet Government is continuing to seek, through duress and through subterfuge, to achieve objectives to which it is not entitled and which it could not achieve through free negotiations.

In connection with the decision by the United States, Great Britain and France to take the Berlin dispute to the UN Security Council, the State Department has made public a "white paper" recounting the long discussions in Moscow and Berlin through which the Western powers sought a settlement.

The documents published in the "white paper," including memoranda of conversations with Premier Josef Stalin and Foreign Minister Viacheslav M. Molotov and by representatives of the United States, the United Kingdom and France, reiterate two fundamental positions of the three Western powers. These are:

(1) The legal right of the three Western powers to be in Berlin under agreements for four-power control of the city; and

(2) Refusal to recognize the Soviet blockade as a weapon to force negotiations on other matters concerning Germany.

The documents show that throughout the negotiations, the three Western powers insisted upon lifting the blockade to safeguard the physical well-being of over 2,000,000 persons in the Western sectors of Berlin, before discussing other problems as a condition for lifting the blockade.

The "white paper" documents show repeated willingness of the three Western powers to negotiate over the whole subject of Germany, and recount Soviet actions that served only to delay and obstruct an agreement to lift the blockade. The discussions included two meetings with Stalin, at which the Soviet Premier agreed to a formula for lifting the blockade. But in subsequent meetings with Molotov and between the three Western

military governors and Soviet Marshal Vassily Sokolovsky in Berlin, the discussions bogged down in delays and obstructions over details.

The documents show that in the Moscow discussions, the four Governments agreed upon a directive instructing the four military governors at Berlin to work out the details of lifting the blockade, but that the Soviet military governor failed to carry out these instructions.

Under a formula advanced by Premier Stalin, the three Western powers had agreed to the use of Soviet currency throughout Berlin under four-power control simultaneously with the removal of all transport restrictions. Both Molotov and Sokolovsky, however, insisted upon sole Soviet control of currency and trade throughout Berlin, in moves that would put the four-power city under complete Soviet control.

The white paper recounts the Soviet measures restricting transport to the Western zones of Berlin beginning on March 30 and leading to the complete blockade of the city, which the Soviets ascribed to "technical difficulties." Throughout preliminary and later discussions, however, the Soviets acknowledged that the "technical difficulties" were in retaliation for the introduction of currency reform in Western Germany, and the decision of the three Western powers to discuss plans for a Western German government.

After the Soviet blockade had been tightened to the point where supplies could be shipped to Berlin only by plane, the United States stated its position clearly in a note to the Soviet Union published on July 6. This note stated that the blockade was "a clear violation of existing agreements concerning the administration of Berlin by the four occupying powers," and that the United States would "not be induced by threats, pressures or other actions to abandon these rights."

The Soviet reply, published on July 14, openly admitted that the blockade was, in effect, retaliation, rather

than due to "technical difficulties," and advanced the claim that Berlin "is a part of" the Soviet zone.

In an attempt to open a basis for negotiations, the three Western powers arranged for the first of two meetings with Premier Stalin on August 2. As spokesman for the Western powers, the U.S. ambassador to Moscow, Walter Bedell Smith, reiterated their position in an oral statement, in which he said:

"The three Governments must re-emphasize their right to be in Berlin to be unquestionable and absolute. They do not intend to be coerced by any means whatsoever into abandoning this right.

"It was the feeling of our Governments that if these measures arose from technical difficulties, such difficulties can be easily remedied. The three Governments renew their offer of assistance to this end. If in any way related to the currency problem, such measures are obviously uncalled for since this problem could have been, and can now be, adjusted by representatives of the four powers in Berlin.

"If, on the other hand, these measures are designed to bring about negotiations among the four occupying powers they are equally unnecessary, since the Governments of the United Kingdom, the United States and France have never at any time declined to meet representatives of the Soviet Union to discuss questions relating to Germany.

"However, if the purpose of these measures is to attempt to compel the three Governments to abandon their rights as occupying powers in Berlin, the Soviet Government will understand from what has been stated previously that such an attempt could not be allowed to succeed.

"The Soviet Government will, however, appreciate that the three Governments are unable to negotiate in the situation which the Soviet Government has taken the initiative in creating. Free negotiations can only take place

in an atmosphere relieved of pressure. This is the issue. Present restrictions upon communications between Berlin and the Western zones offend against this principle."

The white paper notes that Stalin developed the argument that the restrictions in Berlin had been made necessary because of the decisions at London for the establishment of a new German government at Frankfurt and because of the introduction of a special Western currency in Berlin.

The Western representatives explained that it had never been contemplated that the government at Frankfurt would be a central German government, and that the agency to be set up under the London decisions would in no way hamper eventual understanding on a central government for a united Germany.

At the end of the discussion, Stalin asked if the Western representatives wished to settle the issues that night and presented the following two-point proposal:

1. There would be a simultaneous introduction in Berlin of the Soviet-zone deutsche mark in place of the Western mark B, together with the removal of all transport restrictions.

2. He would no longer ask as a condition the deferment of the implementation of the London decisions, although he wished this to be recorded as the insistent wish of the Soviet Government.

The white paper records that Ambassador Smith then asked Stalin about the announcement of a resumption of negotiations on Berlin and holding a four-power meeting to consider other problems affecting Germany, and that Stalin said they should be included.

The representatives of the three Western powers left the Stalin meeting under the impression that settlement of the immediate Berlin crisis could be effected. Resumption of negotiations and a four-power meeting to consider other outstanding problems affecting Germany had been

accepted without conditions. Details on technical matters regarding substitution of the Soviet-zone mark for the Western currency were to be worked out with Molotov.

A series of meetings with Molotov, however, reached an impasse over the wording of a draft agreement. Molotov insisted on a statement that would give the impression that the Western powers had lost their right to be in Berlin and would be permitted to remain by "the present agreement." He also sought to delegate control over the Berlin currency and credit to a bank under exclusive Soviet control and to entrust the conduct of Berlin's external trade entirely to a Soviet-dominated agency.

The Western powers, in their discussions with Molotov, made it clear that they could not agree to any statement that would question their right to occupy Berlin, and that acceptance of the Soviet currency in the Western zones was possible only under four-power regulation.

In a statement to Molotov in behalf of the three powers, Ambassador Smith said:

"We cannot recognize Berlin as part of the Soviet zone, and it follows from this that we cannot accept the conduct of Berlin's external trade through the medium of Soviet-zone trade monopolies. Our Governments have a substantial interest in the city, and in seeking agreement on the regulation of trade matters we are asking for no more than assurances concerning proper and effective use of our very extensive contributions to the economy of Berlin. The economic well-being of Berlin depends on maximum freedom of its trade with other parts of Germany."

As a result of the impasse, the representatives of the three Western powers asked for a second meeting with Stalin, which was held on August 23.

Molotov had insisted that the lifting of the Soviet blockade be applied only to restrictions imposed since June 18, the date on which the currency reform in the Western zones had been announced.

The white paper quotes the following excerpt from a summary of the conversation with Stalin:

"We indicated that this was unsatisfactory. Stalin then suggested that it might be better to say 'the restrictions lately imposed' and confirmed that if there were any imposed before that date they would also be lifted."

Regarding four-power control over currency in Berlin, Ambassador Smith reported the following clarification by Stalin:

"Stalin stated that the German bank of emission controlled the flow of currency throughout the whole of the Soviet zone and it was impossible to exclude Berlin from the Soviet zone. However, if the question was asked whether it did so without being controlled itself, the answer was 'no.' Such control would be provided by the financial commission and by the four commanders in Berlin, who would work out the arrangements connected with the exchange of the currency and with the control of the provision of currency, and would supervise what the bank was doing."

Stalin suggested reference to the London decision for a Western German government in the draft statement, but Smith pointed out that the question was not considered a condition for the lifting of the blockade.

As discussions continued with Molotov to draft a communique and directive to the four military governors in Berlin, the U.S. Government, in further instructions to Ambassador Smith, listed the following four basic requirements:

1. Insistence on our co-equal rights to be in Berlin.
2. No abandonment of our position with respect to Western Germany.
3. Unequivocal lifting of the blockade on communications, transport and commerce for goods and persons; and

4. Adequate quadripartite control of the issue and continued use in Berlin of the Soviet mark.

The proposed communique to accompany the directive to the Berlin military governors was not issued because of the insistence of Molotov on a final paragraph that would tie the hands of the Western Governments with respect to the London decisions.

The proposed communique, however, after outlining the agreement for lifting the blockade, contained the following provisions for discussing questions concerning all of Germany:

"The four Governments have also agreed that, in addition to meetings of the four military governors, meetings among representatives of the four Governments in the form of the Council of Foreign Ministers or other conferences of representatives of the four powers shall be held in the near future to discuss: 1) any outstanding questions regarding Berlin, and 2) any other outstanding problems affecting Germany as a whole."

The representatives of the four powers, however, agreed upon a directive to the military governors at Berlin to lift the blockade and to introduce the German mark of the Soviet zone as the sole currency for Berlin under details for four-power control to be worked out by the four military governors. The directive was sent to the military governors on August 30, calling for a report by September 7.

Following is the text of the agreed directive:

"The Governments of France, the United Kingdom, the United States, and the USSR have decided that, subject to agreement being reached among the four military governors in Berlin for their practical implementation, the following steps shall be taken simultaneously:

"(A) Restrictions on communications, transport and commerce between Berlin and the Western zones and

to and from the Soviet zone of Germany which have recently been imposed shall be lifted;

“(B) The German mark of the Soviet zone shall be introduced as the sole currency for Berlin, and the Western mark B shall be withdrawn from circulation in Berlin.

“In connection with the above, you are instructed to consult together with your colleagues so as to make, in the shortest time possible, the detailed arrangements necessary for the implementation of these decisions, and to inform your Government not later than September 7 of the results of your discussions, including the exact date on which the measures under (A) and (B) above can be brought into effect. The four military governors will work out arrangements involved in the introduction of the German mark of the Soviet zone in Berlin.

“The arrangements relating to the currency change-over and to the continued provision and use in Berlin of the German mark of the Soviet zone shall ensure:

“(A) No discrimination or action against holders of Western marks B in connection with the exchange of those Western marks issued in Berlin. These shall be accepted for exchange for German marks of the Soviet zone at the rate of one for one;

“(B) Equal treatment as to currency and provision of fully accessible banking and credit facilities throughout all sectors of Berlin. The four military governors are charged with providing adequate safeguards to prevent the use in Berlin of the German mark of the Soviet zone from leading to disorganizing currency circulation or disrupting the stability of currency in the Soviet zone;

“(C) A satisfactory basis for trade between Berlin and third countries and the Western zones of Germany. Modification of this agreed basis to be made only by agreement among the four military governors;

“(D) The provision of sufficient currency for budgetary purposes and for occupation costs, reduced to the greatest extent possible, and also the balancing of the Berlin budget.

“The regulation of currency circulation in Berlin is to be undertaken by the German bank of emission of the Soviet zone through the medium of the credit establishments operating at present in Berlin.

“A financial commission of representatives of the four military governors shall be set up to control the practical implementation of the financial arrangements indicated above, involved in the introduction and continued circulation of a single currency in Berlin.” - - -

In the Berlin discussions among the four military governors, the white paper notes, “it soon became apparent that Marshal Sokolovsky was not ready to honor the understanding reached in Moscow.”

“During the course of the meetings,” the report relates, “it was evident that he was seeking to increase, rather than to decrease, the restrictions on transport, and also to eliminate any measure of quadripartite control over the German bank of issue for the Soviet zone with respect to Berlin, and to assert for the Soviet military authority sole jurisdiction over the trade between Berlin and the Western zones of Germany as well as third countries.

“With respect to the transport restrictions, Sokolovsky began by declaring that he would agree to removal of only those restrictions imposed after June 18, the date of the currency reform. This position was taken in spite of Stalin’s categorical statement on August 23 that under the final wording of the directive any restrictions imposed before that date would also be removed.

“Sokolovsky even endeavored to discuss the imposition of new restrictions on the existing air traffic. When the Western commanders sought to discuss freedom of passage

for military trains, the condition of the railroad tracks, and the need of more paths, Sokolovsky began by declining to discuss rail traffic unless the Western commanders would agree to discuss the imposition of new restrictions on the existing air traffic.

"General Clay and his colleagues refused to do this, pointing out that the directive referred only to the removal of existing restrictions, not to the imposition of new ones."

The report stated that on the sole use of Soviet currency in Berlin, Sokolovsky took the position, despite the clear understanding confirmed by Stalin in Moscow, that the proposed four-power financial commission should have no authority whatever to control the operations of the German bank of issue with respect to Berlin.

The report explained that without such authority over the issuing institution, the financial commission would have been quite incapable of discharging the function assigned to it in the directive.

With respect to trade arrangements between Berlin and the Western zones of Germany and third countries, the report noted that Sokolovsky asserted for the Soviet authorities the exclusive right to control such trade. This claim, the report explained, obviously contradicted the clear meaning of the agreed directive and in no way constituted a reasonable approach to the problem of working out a mutually satisfactory basis for the trade of Berlin.

In summing up the Berlin conversations, the white paper said:

"Marshal Sokolovsky in Berlin thus took a position contrary to the explicit assurances given by Stalin in Moscow, with respect to transport restrictions, currency and trade. Moreover, he manifested increasingly an attitude of indifference about the progress or failure of the negotiations.

"The week of technical discussion in Berlin thus proved even more futile and frustrating than the month

of negotiations in Moscow. The military governors were unable to submit an agreed report. Marshal Sokolovsky remarked that there was nothing to report."

The three Western Governments then delivered an aide memoire to Stalin and Molotov, asking the Soviet Government to affirm the previous understandings and to issue the necessary instructions to the Soviet military governor to carry out the directive.

Molotov replied on September 18 in an aide memoire suggesting "more detailed instructions" to the military governors.

The three Western Governments then dispatched their notes of September 22, asking that a date be set for lifting of the blockade to create conditions that would permit a continuance of discussions.

TEXT OF WEST'S AIDE MEMOIRE TO RUSSIA

Following is the text of the aide memoire delivered by the three Western powers to Moscow on the discussions of the four military governors at Berlin:

"1. The Governments of France, the United Kingdom and the United States, having received and studied reports from their military governors on the discussions in Berlin, find it necessary to draw the attention of the Soviet Government to the fact that the position adopted by the Soviet military governor during the meetings in Berlin on a number of points deviates from the principles agreed at Moscow between the four Governments and contained in the agreed directive to the four military governors. As the Soviet Government is aware, the terms of this directive were finally agreed after long and careful consideration, and after clarifications as to interpretation had been received from the Soviet Government.

"2. The specific issue on which, in the opinion of the Governments of France, the United Kingdom and the United States, the Soviet military governor has departed

from the understandings reached at Moscow relate to: (1) restrictions on communications, transport and commerce between Berlin and the Western zones; (2) the authority and functions of the financial commission, and in particular its relation to the German bank of emission; and (3) the control of the trade of Berlin.

"3. As to the first, the Soviet military governor has presented a proposal which falls outside the agreed principle that the restrictions which have recently been imposed on communications, transport and commerce be lifted. He has proposed that restrictions upon air traffic, not heretofore existing, should now be imposed, and in particular that air traffic to Berlin should be strictly limited to the necessary to meet the needs of the military forces of occupation.

"4. As the Soviet Government is aware, the directive makes no mention of air transport and this question was not discussed at Moscow. The directive reads: 'Restrictions on communications, transport, and commerce between Berlin and the Western zones and to and from the Soviet zone of Germany which have recently been imposed shall be lifted.' There have been and are no such restrictions on air traffic. The purpose of the directive is to lift restrictions and not to impose new ones. The proposal of the Soviet commander-in-chief, therefore, falls outside the scope of the present discussions and is unacceptable.

"5. Secondly, on the question of the authority and functions of the financial commission there should be not the slightest grounds for any misunderstanding. At the meeting on August 23 attended by Premier Stalin and Mr. Molotov and the representatives of the Governments of France, the United Kingdom and the United States, the intention of the directive in regard to powers of the financial commission, including its power to control the operations in Berlin of the German bank of emission, was clearly and specifically confirmed by Premier Stalin. The Soviet

military governor has refused to accept both the meaning of the directive and the clear understanding of the four powers reached at Moscow.

"6. Thirdly, there is the question of the control of the trade of Berlin. The position of the Soviet military governor during the discussions in Berlin in regard to matters relating to the control of trade between Berlin and the Western zones of Germany amounts to a claim for exclusive Soviet authority over such matters. Such a claim is a contradiction of the spirit and meaning of the directive to the four military governors to which the four Governments gave their approval and is therefore unacceptable.

"7. In bringing these major points of difference to the notice of the Soviet Government, the Governments of the United States, the United Kingdom and France do not wish to imply that these are the only points of difference which have arisen during the conversations in Berlin.

"8. The Governments of France, the United Kingdom and the United States have understood clearly the principles agreed to in Moscow and the assurances given by Premier Stalin. Their military governors in Berlin have acted in accordance with those principles and assurances. The position taken by the Soviet military governor, on the contrary, has constituted a departure from what was agreed in Moscow and strikes at the very foundation upon which these discussions were undertaken. The divergencies which have accordingly arisen on these questions are so serious that the Governments of France, the United Kingdom and the United States feel compelled to inquire whether the Soviet Government is prepared to affirm the understandings outlined herein and to issue the necessary instructions to the Soviet military governor, confirming the agreed intention of the directive in regard to