

OUTGOING TELEGRAM

TOP SECRET

9 P.M.  
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(Verbatim Text)

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E. O. 11652, Sec. 3(E) and 5(D) or (E)  
Dept. of State  
By NLT: \_\_\_\_\_; NARS Date \_\_\_\_\_

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MOSCOW

MIAC 1101

Following is text of aide-memoire which in accordance with our instructions sent you in separate telegram, you are requested to present, together with your British and French colleagues, to Stalin and Molotov:

NOTE: The Governments of France, the United Kingdom and the United States having received and studied reports from their Military Governors of 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 deviate 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 issues on which in the opinion of the Governments of France, the United Kingdom and the United States, the Soviet Military Governor has departed from

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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 that 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: Inner quote 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

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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 the 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

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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 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.

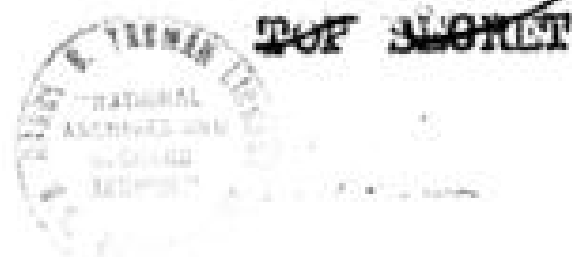
8. The Governments of France, the United Kingdom and the United States have understood clearly the principles agreed to in Moscow and the assurances given by Premier Stalin. Their Military Governors in Berlin have acted in accordance with these principles and assurances.

~~position taken by the Soviet Military Governor in Berlin which is a departure from the position agreed in Moscow.~~

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

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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

(a) the lifting of all restrictions on communications, transport and commerce imposed after March 30, 1948, without imposition of any new air or other restrictions; and

(b) the control by the financial commission of the financial arrangements contemplated in the agreed directive, including control of the operations of the Bank of emission with respect to Berlin as specifically confirmed by Premier Stalin; and

(c) a satisfactory basis for trade between Berlin and third countries and the western zones of Germany in accordance with an agreement to be reached between the four Military Governors which does not involve the unilateral control of such trade by the Soviet Trade Administration and which recognizes the rights of the occupying powers to import in fulfillment of their responsibilities, and to control the proceeds from, food and fuel for the use of the Berlin population and industry.

They believe that only if the steps proposed in the aide-memoire are taken would it be possible for the Military Governors to continue their discussions. END QUOTE

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Code Room: Send to Moscow. Repeat to

London as 3609.

Paris as 3577.

Berlin as 1613.

Above is agreed text of aide-memoire but we feel meaning might be clearer if concluding portion of point (c) read as follows: quote and which recognises the right of each ~~occupying power~~ of the occupying powers to import in fulfillment of their respective responsibilities and to control the proceeds from, food and fuel imported for the use of the Berlin population and industry endquote. If you British and French colleagues agree we would like to have this change made.

*Marshall*



MARSHALL

*CRS*

EMR:CE:JDean:tmt

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