

THE BERLIN BLOCKADE

by

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PREFACE

This case study will adhere roughly to the format outlined in Working Paper No. 6. This is done with some reservations since it is my belief that the theoretically more interesting aspects of the first Berlin crisis occurred before the Soviet imposition of the blockade actually initiated the crisis. Many of the questions to which we seek answers through the comparative examination of different crises are, in this case, not answered by examination of the crisis itself, but by the events preceding the crisis. It is during this period that expectations were formed, commitments were made and so forth. Once the Soviet Union made the challenge and the United States responded to it, the crisis proceeded according to patterns shaped in the precrisis period. This does not deny that the crisis behavior itself merits study, but it does imply that this crisis was not a "microcosm" of international politics.

One must look beyond the crisis period to properly appreciate the significance of different variables in explaining nation-state behavior. While an ideological setting similar to that described by Lockhart and Diesing for the 1958-63 period also existed in 1948, it evolved in the 1945-8 period; and events in Germany critically affected the form it took. Or, to give another example, the importance of internal factors such as those stressed in Graham Allison's "Model II" and "Model III" is far more evident in the manner in which U.S. policy in postwar Germany evolved than in the U.S. response to the Soviet blockade of Berlin. The Soviet move itself can only be understood in the context of the situation to which it was a response. For these reasons, rather than proceeding immediately to a discussion of the systemic environment or the bargaining setting, the

historical background to the first Berlin crisis will be discussed separately in the belief that the actors' behavior during the crisis will be more easily understood in its historical context than in the more present-oriented framework established in Working Paper No. 6.

HISTORICAL BACKGROUND

By 1948 the ideological battlelines of the Cold War with which we are all too familiar had solidified. The Truman Doctrine's Manichean vision of the forces of good and godliness versus those of evil and godlessness had its counterpart in the Soviet Union's of the irreconcilable clash of the "two camps" of capitalist and socialist countries. Though these ideological sets certainly existed before the Cold War, the current reevaluation of the immediate post-WW II period indicates that the hardening of these belief-systems was not predetermined, but rather occurred as the result of apparently insoluble conflicts of interest that were later rationalized as ideological conflicts. Once the actors themselves viewed relations between the Soviet Union and the United States as a zero-sum conflict between ideological opposites, cooperative and accommodative strategies became impossible: how can one compromise with, in Truman's words, a "modern tyranny led by a small group who have abandoned their faith in God?"¹ The Berlin blockade represented one of the first manifestations of the rigid that have characterized the Cold War. It reflected the deepening hostility which evolved from the failure of the Soviet Union and the United States to solve the problem of postwar Germany. In this perspective, the Soviet Union's decision to impose a blockade around Berlin can be viewed as both an end and a beginning--an end to mutual efforts to resolve conflicts through negotiation and the beginning of the near-complete reliance upon coercive strategies that has characterized the Cold War. To properly understand the actor's behavior during this first direct confrontation of the Cold War, the interdependent problems of the reunification of Germany and reparations to the Soviet Union must be reviewed.

The understandings reached before Potsdam concerning Germany included the following: (1) denazification, democratization and demilitarization of Germany; (2) territorial compensation to Poland for its territorial losses to the Soviet Union; (3) extraction of reparations; (4) creation of occupation zones in Germany and in Berlin; and (5) operation of the Allied Control Council composed of the Allied Military Governors under the principle of unanimity. The Soviet Union had declared unilaterally that the area east of the Oder-Niesse line was now part of Poland. Considerable wrangling at Potsdam resulted in the decision to postpone further discussion of the border issue until a later peace conference. In the meantime, however, the territory would remain under Polish administration. Potsdam did establish a permanent council of Foreign Ministers to deal with any problems arising from the war, in particularly, the preparation of a peace treaty for Germany. In addition, these general principles governing the occupation period were stated: the determination to render Germany incapable of future wars through demilitarization and denazification, the intention to treat Germany "as a whole" both politically and economically, and the desirability of rapid economic and political unification.

The question of reparations proved to be the most troublesome. At Yalta, the United States was unwilling to commit itself to a definite reparations figure until more detailed study of postwar Germany's ability to pay. The U.S. reached an agreement with the Soviet Union, however, stipulating that the reparations commission take the Soviet proposal of \$20 billion (half of which was to go to the Soviet Union) "into consideration as a basis for its studies," with the understanding that the final

figures "arrived at by the commission might be a little more or a little less than this figure."² But by the time of Potsdam, six months later (July 1945), the United States no longer felt it could permit extensive reparations.

The Office of the Military Government for Germany, United States (OMGUS), headed by General Lucius D. Clay, was supposed to operate according to the Joint Chiefs of Staff directive 1067 (JCS 1067). Reflecting the views of the now-infamous "Morgenthay Plan", which envisioned the pastoralization of Germany, the directive stressed strict control of all political activity, and speedy demilitarization and deindustrialization. Shortly after Clay's arrival in April 1945, members of OMGUS had concluded that JCS 1067 had been formed with little understanding of the extent of the devastation in Germany, and that its provisions needed to be modified. Preliminary studies in the spring convinced Clay that the U.S. zone could not be economically self-sufficient and that the U.S. would either have to finance imports to feed the Germans or they would have to finance German industrial recovery--prohibited by JCS 1067--so that Germany could produce sufficient exports to pay for necessary imports. In addition, OMGUS concluded that the need to finance needed imports made extensive reparations impossible--whether in the form of capital equipment removals or of allocations from current production. The War Department rebuffed early efforts by Clay to have JCS 1067 modified because they feared that "formal policy change would result in unfavorable comment in the press to the effect that the U.S. had abandoned its firm stand on the treatment of Germany."³ Clay was assured, however, that his freedom of action was not limited by JCS 1067, which gave OMGUS latitude for actions that soon made official U.S. policy

merely paper policy.

This issue involved more than zonal self-sufficiency, though that impetus was so strong that one observer referred to the American "obsession" to reduce the "burden" on the taxpayer imposed by the annual \$200 million subsidy.⁴** The United States quickly became aware of the crucial relationship between German recovery and that of the rest of Western Europe. As a result of a report by Secretary of the Interior Harold Ickes in early June, Truman became convinced of an impending coal crisis in northeastern Europe. Thus it was determined that substantial German coal production was essential to European recovery--production that implied substantial rehabilitation of the German economy; and, as a preliminary move, Truman ordered Eisenhower, the Supreme Allied Commander, to make available for export, 25 million tons of West German coal over the next nine months. The Soviet Union was sent an "information copy" of the directive after the fact in order "to avoid delay."⁵ The implications of this unilateral action by the United States for the eventual prospects of any reparations agreement worked out at Potsdam must have been clear to the Soviet Union.

The United States came to Potsdam prepared to insist on a change in the Yalta agreements because of Russian "looting." Edwin Pauley, U.S. representative to the Allied Reparations Commission, insisted that reparations out of current production were permissible only after essential imports had been paid for. Moreover, because of uncertainties about Germany's potential for recovery, the United States could no longer commit

**The desire to reduce the American subsidy had political roots as well. The subsidy necessitated Congressional approval and the annual hearings on economic aid to Germany proved the focal point of criticism of the Truman Administration's policy towards postwar Germany.

itself to any definite reparations figure.⁶

The Soviet Union responded with evidence showing that the Western Allies had taken considerable amounts of movable railroad stock and "scrap metal." The distinction between "war booty" and "restitution" proved to be very vague. Pauley's staff admitted the validity of the Russian charges but maintained that Western removals involved only equipment not used for peaceful purposes "whereas the Russian removals observed, such as agricultural equipment, sewing machines and textile machines, are certainly not war potentials."⁷ In any case, Molotov was quite willing to bargain, and ultimately offered to deduct \$2 billion from the previously-agreed upon \$10 billion--provided that the Soviets received a fixed amount of industrial equipment from the Ruhr industrial area.

Secretary of State Byrnes, however, was no longer interested in negotiation within the context of the Yalta agreements but suggested instead that each allied power take reparations from its own zone.** Knowing full well the Soviet Union would demand some access to the Western zones which contained 70% of Germany's industrial output, Byrnes offered the Soviet Union 25% of the plants eventually declared eligible for reparations.

The available amount of excess capital equipment, however, depended

**The political implication of the U.S. proposal was obvious to both parties:

Mr. Molotov: said that would not the Secretary's suggestion mean that each country would have a free hand in their own zone and would act entirely independently of the others?
The Secretary: said that was true in substance.⁸

The United States apparently found a unified reparations pool, which, in turn, implies a unified Germany, too risky. Rather than risk the possibility of united Germany in the Soviet sphere of influence, the United States preferred to consolidate Western control over part of Germany and forego the possibility of a Western-oriented unified Germany. This type of "minimax" thinking, I believe, characterized much of U.S. policy towards postwar Germany.

on the level-of-industry necessary to meet Germany's proposed standard of living, costs of occupation forces and costs for transferring displaced persons (to be determined by four-power agreement in six months). The permissibility of reparations from current production was left unspecified though it was stipulated that the first charge against German exports would be the imports necessary to maintain the aforementioned standard of living, etc. The first 10% of the 25% due the Soviet Union was to be delivered without payment or exchange and the final 15% was to be made in exchange for raw material shipments from the Eastern zones (primarily food, coal, potash, zinc, petroleum, and clay products). There was an important difference, however, for the capital equipment shipments from the West were to be made within two years while the shipments from the East were to be made in lots over the next five years. Later, when Clay stopped reparations deliveries in May 1946, one justification he gave was the Russian refusal to ship raw materials.

The Soviet delegation wanted to negotiate exact amounts of reparation at Potsdam but finally accepted this proposal when it became apparent it was an all or nothing situation. Byrne coupled the reparations question with the ~~problem~~ problem of the Eastern border and admission of Italy and the Balkan nations to the U.N. and in his words, "I told him (Molotov) we would agree to all or none and that the President and I would leave for the United States the next day."⁹

As a partial apology for the lengthy discussion of the reparations agreement at Potsdam, the saliency of the reparations issue to the Soviet Union must be emphasized. The Soviet Union had suffered grievously from World War II: population losses of between 15 and 20 million (compared to 300,000 for the U.S.), destruction of industrial capacity west of the Urals,

and the devastation of her most productive farmlands.** The Secretary of State under FDR, Stettinus, noted that at Yalta whenever the question of war-time destruction and the need for compensation arose, Stalin "spoke with great emotion which was in sharp contrast to his usual calm, even manner." On several occasions, according to Stettinus, Stalin "arose, stepped behind his chair and spoke from that position gesturing to emphasize his point. The terrible German destruction in Russia obviously had moved him deeply."¹¹ Secretary of State Byrnes believed reparations to be the "chief interest of the Soviet delegation" at Yalta and the most crucial objectives that the Soviets had in Germany.¹² The primacy of the reparations issue to the Soviets at that time has been forgotten in retrospect: W. Phillips Davison, who has written the exhaustive account of the Berlin Blockade, feels that "Soviet demands for reparations represented less a desire for goods with which to reconstruct the war-shattered economy of Russia than a screen behind which political control of Germany was to be exercised."¹³

Space does not permit a detailed analysis of the evolution of U.S. policy towards Germany.** The pattern, however, conforms generally to the "incrementalist" model of Charles Lindblom.

The policy priorities of OMGUS and Washington differed from the beginning, with OMGUS concerning itself with zonal problems at the expense of

**The official Soviet statement of the extent of wartime destruction indicates a loss of incomprehensible dimensions: "The Germans had destroyed completely or partially 15 large cities, 1,710 towns and 70,000 villages. They burned or demolished 6 million buildings and deprived 25 million people of shelter. They demolished 31,580 industrial enterprises, 65,000 kilometers of railway track, 4,100 railway stations...56,000 miles of main highway, 90,000 bridges and 10,000 power stations..."¹⁰ Although deliberate exaggeration might have occurred, by all current accounts, the order of magnitude is correct. Losses of this dimension would ensure that the Soviet Union would demand reparations with a ferocity incomprehensible to an undamaged United States.

**For an analysis of the incremental development of U.S. policy in the occupation policy see John Gimbel's The American Occupation of Germany: Politics and the Military, 1945-9. To my knowledge, this is the first study to make extensive use of the military government records of the United States.

alliance relations. The actions of the field organization created such a momentum that, in Gimbel's words, "by mid-1946 Clay was virtually demanding a new policy statement that would conform with what was already OMBUS practice in Germany."¹⁴ Thus U.S. policy statements of late-1946 and 1947, which have customarily been viewed as evidence of the breakdown in U.S.-Soviet relations over Germany, were actually just public affirmations by Washington of actions already taken. Clay's comment is quite illuminating in this respect when he refers to an "American policy which was to develop for Germany and to be proclaimed first by Secretary of State Byrnes in his Stuttgart speech."¹⁵ Without analyzing in detail the incremental changes in U.S. policy, the effect of these changes will be examined in the context of how they must have appeared to the Soviet Union for it was their perception of the situation that led them to impose a blockade around Berlin.

As with most international agreements, Potsdam was a mixture of general, vague objectives and of specific agreements; and the former were often inconsistent with the latter. Official rhetoric emphasized the creation of a unified Germany with a central government. Germany was to be "created as a single economic unit" and an "economic balance" within Germany was to be maintained. This economic unity was to be "established", however, by "common policies" "applied" with "account appropriately taken" by zonal commanders of "varying local" conditions.¹⁶ The separate zonal policies were to add up to a "balanced economy," an economy ruled not by the market or by a central economic unit but by ad hoc arrangements between the allied commanders according to the principle of unanimity. Thus policy was to be uniform throughout Germany but power was decentralized.

Clay's objectives were primarily economic:--the restoration of Germany, and indirectly, Western Europe. His ultimate goal was economic unification of Germany but his immediate one was zonal recovery. Although he constantly urged Washington to put pressure on France to agree to central economic units, he was unwilling to make the trade-off between postponement of immediate zonal recovery and the prospect of eventual reunification. His desire to establish zonal self-sufficiency, however, had unforeseen consequences. William Draper, Clay's economic advisor, stated OMGUS's interpretation of Potsdam in August 1945:

...sufficient capacity must remain in each industry to supply German needs under the agreed standard of living, and "that enough additional productive plant must remain to provide sufficient exports to pay for required imports...because the economy cannot operate unless sufficient excess capacity over German requirements is retained to balance all required imports." . . .OMGUS Industry Division. . .interpreted the "intent of American policy to be to incite and encourage the German people to contribute to the Welfare of Europe by holding out to them the promise that they will be permitted to raise their own standards indefinitely, so long as they help their neighbors up to the same level."¹⁷

OMGUS, therefore, interpreted the standard of living figure determined at Potsdam as a minimum or floor that could be raised indefinitely as long as it did not surpass that of Germany's neighbors. Of course this implied that less would be available for reparations to the Soviet Union or anyone else. Consequently the Soviet negotiators in the Industry Committee of the Allied Control Authority viewed the Potsdam standard of living figure as a maximum or ceiling which was not to be exceeded.

Progress towards unification did not conform to Clay's expectations for the French vetoed any proposals for centralized agencies until their demands for internationalization of the Ruhr and the Rhineland had been

satisfied. Clay told the State Department that OMGUS could not calculate what the level of industry, and hence the amount of reparations, should be until the issue of economic centralization had been resolved. The State Department rejected Clay's demand that government-level pressure be put on France.

The American position on reparations did change, however, as a result of Clay's pressure for modification. A statement of Dec. 11, 1945 declared that U.S. reparations policy aimed at a "balanced economic position," and did not seek "to eliminate or weaken German industries of a peaceful character in which Germany has produced effectively for world markets."¹⁸ The implications this had for the Potsdam agreements were left unexplained.

On May 3, 1946, Clay halted dismantling operations in the American zone.** Often interpreted as an anti-Soviet action, Clay's own explanation suggests different motives. He did object to stripping the American zone for reparations "without getting the benefits which would come from the amalgamation of all zones."¹⁹ When he presented his position to the Allied Coordinating Committee, he stressed the portions of the Potsdam agreement that emphasized the creation of central administrations, economic unity, and so forth. In a later press conference, he stated that the U.S. was halting any further dismantling "until the economic unity on which reparations is based has been attained."²⁰ But he added that in his estimation the halt in reparations deliveries would hurt France more than the Soviet Union. Interpretation of the dismantling halt as

**It is interesting to note that there is no indication that Clay cleared this action with Washington.

an effort to force government-level negotiations on the economic aims of Potsdam gains further support from the content of his May 26 cable to the War Department. In this cable, he stressed the deteriorating economic situation in Germany, the need for immediate four-power agreement on unification, and his estimation that the Soviets would find his recommendations acceptable while the French would not. Finally he suggested that if four-power agreement were not possible, the U.S. and Britain should merge their zones. The important point is that Clay saw France as the principal obstacle to unification, and from this it can be extrapolated that the dismantling halt was aimed primarily at forcing France to agree. This contrasts sharply with the position taken later by both U.S. officials and commentators that the main obstacle to German unification was Soviet obstructionism. Davison, for example, goes so far to suggest that the Soviets expressed willingness to unify only after they were sure that France would veto any proposals. Regardless of Clay's intentions, however, to the Soviets the dismantling halt represented another hostile act in what they perceived as a general U.S. policy towards the Soviet Union.

In the absence of State Department pressure on France, the stalemate in the Allied Control Council continued and the momentum towards bizonal unification increased. Discounting the impact this would have upon the Soviet Union--Clay said in the May 26 cable that the Russians would accept it because it was in accord with Potsdam, "although in detail many difficulties will arise with Russian representatives"²¹.

The movement towards Bizonia (as the United zones came to be called) occurred incrementally and informally through ad hoc arrangements between the British and American zone military governments. Receiving impetus

from Clay's intense desire to achieve self-sufficiency and reduce the burden on the American taxpayer, the movement toward bizonal unification received top priority in OMGUS. As a justification for the long-run implications of Bizonia, OMGUS rationalized its creation as an "economic magnet"--that is, successful bizonal economic unity would "draw" all four zones into full unity. Thus, economic unification would occur incrementally. Bizonia received official endorsement from Washington in Secretary of State Byrnes' Stuttgart speech (Sept. 6, 1946) in which he emphasized that the solution of economic problems in Germany was necessary for the recovery of Europe and extended an invitation to all nations to merge with the American zone, an offer promptly accepted by the British.

In early spring of 1947, the Council of Ministers convened in Moscow. Amidst the general failure to reach four-power agreement on issues dividing the wartime allies, Secretary of State Marshall, in the words of John Gimbel:

... had made at least one definite decision in Moscow; and he seemed to be tending towards another. The definite decision was to push toward bizonal economic self-sufficiency no matter what the political and economic costs might be. The decision to which he was tending was to concentrate on Russian obstruction as the primary cause for the German problem, and to ignore prior French recalcitrance in the hope of winning the French over to the cause.²²

Evidence of the first decision is seen in Marshall's report to the Conference that after "long and futile" efforts to secure unification, the drive towards bizonal unification had been made because "certainly some progress towards economic unity in Germany is better than none."²³

On his return from Moscow, he met with Clay and directed him to strengthen the bizonal agencies and to revise the level-of-industry upwards. The

shift of the responsibility from the French to the Soviets for the failure to reach agreement--though there had always been some in Washington that blamed the Soviet Union--recieved its first official endorsement in Marshall's reply to the Soviet charge that bizonal merger violated Potsdam that the Soviets ignored "the plain fact that their refusal to carry out that agreement was the sole cause of the merger."²⁴

A more significant development in terms of Soviet-American relations occurred in the aftermath of the Moscow Conference. At the time of the Conference, Washington was in a turmoil over the British note declaring an end to her support of Greece and Turkey. From this emerged the American decision to give them military and economic aid. To justify this action to the American people, the rhetoric of the Truman Doctrine was made purposively strong and ideological.** At Moscow Marshall explicitly connected the question of Germany with that of Western Europe:

We cannot ignore the factor of time involved here. The recovery of Europe has been far slower than had been expected. Dis-integrating forces are becoming evident. The patient is sinking while the doctors deliberate. . . .action cannot await compromise through exhaustion. New issues arise daily. Whatever action is possible to meet these pressing problems must be taken without delay.²⁶

According to John Foster Dulles, who was part of the delegation to Moscow, Marshall formed the idea of the Marshall Plan on the plane trip back from Moscow and his actions upon his return seemed to confirm this. Marshall's

**The official who drafted Truman's message to the Congress decided to emphasize anti-Communism because, in the words of one official, "the only way we can sell the public on our new policy is by emphasizing the necessity of holding the line: communism vs. democracy should be the major theme."²⁵ This does not mean that decision-makers didn't perceive events in this manner--any reading of Truman's memoirs quickly disabuses one of that notion--but it does signify that the need to build a consensus ensured resort to rhetoric which would make it increasingly difficult in the future to reach a modus vivendi with the Soviet Union.

report to the nation stressed Germany and Austria as the "vital center" of Europe, the importance of German coal to the European economy and the reciprocal nature of German and European recovery--that each depended on the other. He also gave instruction to George F. Kennan's policy planning committee in the State Department to look at the entire European situation.

Thus, two processes were going on simultaneously: OMGUS was trying to develop a new level-of-industry for the two zones and Washington was developing a new policy initiative regarding Europe. After Clay failed to meet the six-week deadline given to him by Marshall, Washington asked him to expedite matters. In addition, he was instructed to increase steel and machine production but still make reparations available. Clay's response to Washington was that the instructions were contradictory because Bizonia could not be made self-sufficient and at the same time provide reparations. He stated that a new level-of-industry excluded substantial reparations and he asked Washington for a decision. Before Washington could reply, Clay reported on July 12 that the problem had been solved and a new list of plants available for reparations would be forthcoming. Publication of the new plan was delayed, however, because of French objections. The British supported the French because they feared the French would back out of the Marshall Plan talks. After extensive three-power negotiations a solution was reached. A new level-of-industry and reparations list were published on October 17, 1947; it named 682 plants or parts of plants that were eligible for reparations but this included 251 plants that were already or in the process of being dismantled. This contrasted with the 1,636 plants or parts of plants

that had been associated with the 1946 level-of-industry plan. In effect, as Gimbel observed, the Marshall Plan "substituted direct grants to the IARA nations from the U.S. in place of reparations deliveries from Germany, which the U.S. would have had to pay for indirectly in any case unless it wanted to abandon Germany to chaos."²⁷

To the Soviet Union the implications of the Marshall Plan were clear. First, it meant an end to the flow of reparations they deemed necessary to the recovery of their devastated economy. More importantly, however, the Soviets perceived the Marshall Plan, with its inclusion of the western zones of Germany, as an effort by the United States to lay the economic basis for a revived capitalist military alliance dominated by the United States and sworn to undeviating hostility to the Soviet Union. As western commentators saw the Marshall Plan as the economic arm of containment, the Soviet Union saw it as, according to the official Soviet statement, ". . .the return to the old anti-Soviet course, designed to unloose war and forcibly to institute world domination by Britain and the United States."²⁸ The vision of the United States was just as threatening: Marshall concluded that "Agreement was made impossible at Moscow because. . .the Soviet Union insisted upon proposals which would have established in Germany a centralized government adapted to the seizure of absolute control of a country. . .(which) would be mortgaged to turn over a large part of its production as reparations principally to the Soviet Union."²⁹ The supergame considerations began to outweigh anything else: Each party feared that a mistake now would lead to a threatening future. Consequently each was unable to consider specific conflicts of interest solely on their own merits.

During the summer and fall of 1947 both sides consolidated their positions with little attempt to resolve differences between them.

Communist parties in Western European countries abandoned their support of "bourgeois" coalition governments and engaged in a course of obstructionism directly related to their country's involvement in the Marshall plans. The Comintern was formed in Sept. 1947 and the Soviet Union hurriedly tightened its control over Eastern Europe. The momentum of events increased as well in the West. The interdependent questions of Bizonia and the Marshall Plan led to the increasing participation of France in deliberations over Germany. Anti-Soviet propaganda increased in the United States. Although OMGUS officials had insisted earlier that France had been the chief obstacle to German unification and that the Soviet Union was willing to reach agreement, they did not contradict the views then expressed in Washington that Soviet obstructionist tactics had made fulfillment of Potsdam impossible and made Bizonia necessary. The advantage of this interpretation--other than its compatibility with a latent anti-communism that had always existed in the United States--was that it took the onus off of France and made it possible for the United States to make concessions to France on the German question (for example, allocations of coal, annexation of the Saar, international control of the Ruhr) which were necessary to ensure French participation in the Marshall Plan and acceptance of reunified Western Germany.

The London Conference of the Council of Ministers in November and December 1947 marked the final impasse. There was no agreement on substantial questions and the Conference adjourned without any plans for future meetings. The familiar charges and countercharges were made and the U.S. position hardened even more. Marshall stressed the determination of the United States not to agree to any program of reparations from

current production as a price for the unification of Germany," perhaps the only basis for agreement that existed between the U.S. and the Soviet Union.³⁰ Marshall then made an ultimatum: he asked for the prohibition of any removals from Germany except those paid for in trade as of Jan. 1, 1948, implying at the same time that failure to reach agreement on economic unification would lead to independent U.S. initiatives. The Soviet Union, of course, replied bitterly about these subverted past agreements. The Conference ended with charges by each that the position of the other was totally unacceptable. Clay concluded that the London conference provided confirmation that "we were now engaged in a competitive struggle, not with arms but with economic resources, with ideas and ideals."³¹

Following the breakup of the conference, however, deliberations in London between Foreign Secretary Bevin of England and Marshall did yield tangible results. They instructed their military governors to develop a political structure for Bizonia and made plans to hold a three-power government-level conference with France to discuss long-range German policy. These talks, in which all Benelux nations also took part, began in Feb. 1948 and the agenda included the Marshall Plan, unification of Germany, and control of the Rhur. From these six meetings emerged a series of documents known as the London Recommendations. Their objectives included coordination of economic policies, full participation of Germany in the European Recovery Program, authorization for German officials to draft a constitution and control of the Ruhr by a provisional international authority.

The Soviet Union reacted strongly to these six-power negotiations. The initial statement of the Conference was made on March 8 and expressed

the determination of the Western nations to proceed in the absence of four power agreement. On March 20 Marshall Sokolovsky, the Soviet representative on the Allied Control Council in Berlin, demanded to be advised of all agreements reached in the London Conference. Of the Western powers Clay replied that the conference was at the government-level and that the military governors had not been officially informed of progress. The Soviet delegation then walked out of the Control Council, thus setting the scene for the ensuing crisis in Germany.

The impact of these events was to convince each side that the other was engaged in hostile actions. The Soviets perceived the pre-occupation of OMGUS with economic self-sufficiency in the American zone as part of an anti-Soviet campaign reaching fruition in the Marshall Plan. The United States interpreted Soviet actions in Germany in the light of events elsewhere: the rapid process of satellization of Eastern Europe (particularly the February coup in Czechoslovakia), the civil wars in Greece and China, the obstructionist activities of domestic Communist Parties in Western Europe and so forth. By 1948 the lines had been drawn for the Cold War.

SYSTEMIC ENVIRONMENT

In retrospect, analysts have defined the structure of the system in 1948 as being bipolar or perhaps as emerging bipolarity. The important question, however, is not how the analyst perceives the system structure; but rather how the actors themselves perceived the distribution of power at the time. The difficulty here is that the actors themselves did not view the structure in similar fashions--thus raising the question of whether it is possible to talk of a "system" or "system structure" in instances in which the actors do not perceive this structure themselves. It is my belief that one can use the construct "system" only to the extent that the individual actors perceive the same structure--that is, if all conceive of the world as bipolar, the analytic construct of "bipolar system" is useful in explaining the behavior of the individual states. If the actors do not perceive things similarly, if, for example, the xenophobia of one state creates irrational fears that make it underestimate its own strength and overestimate that of its adversaries), then an observed use of his own formulation of the system structure may mislead him.

I believe, therefore, that this period might be best described as one of disintegrating multipolarity--a period of "lag" in which the perceptions of the actors had not yet caught up to the realities of the distribution of power. Britain was a victorious ally, thought herself a major power, acted as one and was so perceived by others. France obviously had been devastated by the war, but the avidity with which her allegiance was sought by the other actors lends credence to the view that she was not perceived as permanently a second-rate power. In addition, the fear that all the actors had of a revived Germany implied

the expectation that Germany would quickly recover and immediate imposition of deliberate constraints would once again threaten the security of Europe.

The way in which the Soviet Union perceived her strength is most interesting, particularly when contrasted to the perceptions that the United States had of Soviet power and intentions. The Soviet Union foresaw a period of extreme vulnerability. Her economy had been severely dislocated; industrial production in 1946 fell to 70% of that of 1940, the last prewar year; and a severe drought in 1946 created famine conditions in many areas of the U.S.S.R. Only in 1947 was the Soviet Union able to end rationing, though it required a drastic 90% devaluation of the currency to reduce the inflationary pressures produced by the shortage of food. In contrast, the United States economy had prospered greatly by the war with wartime production (equalling over 40% of the GNP at its peak) erasing the effects of the Great Depression. Though both the Soviet Union and most decision-makers in the United States expected a recession of considerable magnitude--no one foresaw that domestic consumption would more than soak up the excess productive capability remaining from the war--after a period of some hesitancy, the U.S. economy moved into a boom period.

The military balance also seemed to favor the United States. Though proportionally the Soviet Union's demobilization matched that of the United States, in 1948 3,000,000 men still remained under arms, 300,000 of these stationed in Germany alone. The United States had only two divisions in all of Western Europe and six battalions of combat-ready troops in the United States. To the Soviet Union, however, this asymmetry was only superficial. Soviet military doctrine has always stressed

that the outcome of any war depended upon the strength of the economic systems waging it, and the United States was, at least temporarily, vastly stronger economically. Moreover, the United States had a monopoly upon atomic weaponry, of dimensions unknown to the U.S.S.R., a large fleet of long-range aircraft and the strongest navy in the world. The Soviet Union had virtually no navy or long-range aircraft (airplanes had been used by the Soviet Union almost exclusively for close ground support of the army).

The perception of vulnerability is clearly reflected in Stalin's pre-election speech of Feb. 9, 1946. No rest was envisioned for the war-weary people of the Soviet Union; extremely high industrial and agricultural targets were set for the forthcoming five-year plans; rationing remained in effect; and consumer spending stayed at wartime levels. As Stalin stated, "only under such conditions can we consider that our homeland will be protected against all possible accidents."³² The importance of the ideological factor was present in the Soviet perception of the capitalist countries as inherently and intractably hostile; and this necessitated that the Soviet Union concentrate upon redressing the balance of power. In the meantime, they were conscious of extreme vulnerability.

The United States, however, was blind to the Soviet Union's perception of the situation. The only reality of which decision-makers in the United States were aware was the huge Soviet army which was presumably posed for a sweep to the shores of the English channel. That the Army was carrying out police functions and consolidating political control in both the Soviet Union and Eastern Europe, and these could not carry out such an invasion, even if Stalin had so desired, did not dispel U.S.

fears. Though the United States found it hard to convert their atomic monopoly into political capital, the impact upon the Soviet Union of the U.S. possession of nuclear weapons should not be underestimated. But the selective perceptions of the U.S. focused on the takeover in Eastern Europe, the turmoil in Asia and the 200 divisions in the Red Army and feared the expansion of international communism.

The importance of ideological heterogeneity can be seen clearly in these varying interpretations of the distribution of power. It is not that ideology makes either of the parties inherently expansionist, but rather that it makes one's adversary interpret one's behavior as expansionist. Communist ideology ensures that the United States will perceive Soviet actions as expansionist--that is, see each action as a move in a "supergame"--even if the Soviet Union is acting defensively, out of the awareness of her own vulnerability and her perception of the hostility of the capitalist states. Therefore, it is my conviction, though I am sure some will argue, that the role of ideology as a motive is far less important or significant than the role that one's ideology has its effect upon both one's own perceptions and another's perceptions of one's actions.

The effect of "domestic revolutionary factors" upon the inter-state crisis is not as negligible as it might appear on the surface. The Soviet Union in the 1945-8 period was undergoing a period of tremendous ideological consolidation. The Party leadership feared both loss of party control over the population and of their own control of the party. About one fourth of the postwar population of the U.S.S.R. had lived in German-occupied areas and been exposed to Fascist ideology without countervailing Soviet propaganda. The emphasis on Russian nationalism during

the war weakened the ideological influence. Not only had the armies been exposed to Western influences but there were five million prisoners of war to be repatriated. In addition to these external problems, the Party was vulnerable to weakening influences from within itself. Turn-over in Party membership had been great and membership could be easily gained during the war. Once victory had been gained, policy shifted from recruitment to improving the quality of the Party. In areas occupied by the Germans considerably more than half of the Party members were new recruits with the percentages running even higher in the military. Thus the Soviet Union proceeded on a massive reindoctrination campaign--the "Zgadanovschina"--which was intended to consolidate the leadership's control over the Party and the Party's control over the nation. This campaign for ideological purity stressed above all else the rejection of everything foreign. It should be emphasized, however, that Stalin was undoubtedly motivated by more than personal power considerations: It was necessary to reimpose strong central control if the people were to make the sacrifices necessary to overcome the Soviet Union's extreme vulnerability.

Finally, the question of alliances cannot be dealt with easily. The 1945-8 period saw the deterioration of the wartime alliance and this period was characterized by the actors' search for new alignments. Typical bipolar alliances did not exist, and there were no "alliance leaders" constrained by the necessity of maintaining alliance cohesion. The Soviet Union was consolidating control over a virtually defenseless Eastern Europe. The United States and England felt themselves closely bound by the congruency of their interests and their histories. Both the Soviet Union on the one hand, and the British and the Americans on

the other avidly pursued France's cooperation and future allegiance. All of the governing bodies in Germany were relics of the wartime alliance--all broke down under the burden of the principle of unanimity in a period of conflict and deepening hostility. In my estimation alliance considerations do not explain the behavior of the actors during this period though it is obvious that the actors were seeking allies. One of the strongest manifestations of this was the intense bargaining which occurred with France. Because the U.S. offered by far the best "deal"-- as well as because of other historical factors--France joined the British, the Americans and the West Germans of the western zones in the conflict with the Soviet Union. In fact, the Berlin blockade itself served as one of the chief catalysts for the formation of the Western alliance. Evidence of this is that the signing of the North Atlantic Pact was an immediate result of the Soviet move.

BARGAINING SETTING

By June 1948 the possibilities for accommodation between the Soviet Union and the United States had ended. Both actors perceived movements in the pattern of events that threatened their future security. General Clay in April summed up the prevalent view for U.S. decision-makers:

We have lost Czechoslovakia. Norway is threatened. We retreat from Berlin. When Berlin falls, Western Germany will be next. If we mean . . . to hold Europe against Communism we must not budget. . . If we withdraw, our position in Europe is threatened. If America does not understand this now, does not know that the issue is cast, then it never will and communism will run rampant. I believe the future of democracy requires us to stay.³³

The Soviet Union foresaw the consolidation of the western zones of Germany into a powerful industrial nation that would be integrated with the rest of Western Europe into an alliance dominated by the United States. Both sides saw themselves in a prisoner's dilemma situation: the expected future state of affairs looked worse than the present and seemed to demand some action immediately (whether it be unification of West Germany or a Soviet blockade) regardless of the risks involved.

The first Berlin crisis is best analyzed in terms of only the Soviet Union and the United States as actors. The views of Britain and France did differ from the perspective of the United States, but it was principally a matter of different degrees of resolution and differences in the valuation of the stakes. Thus France interpreted the conflict in the same framework as the United States--that is, a zero-sum Cold War conflict--but maintained that Berlin was too vulnerable to protect and too great a liability to want to protect (required a \$250 million subsidy annually to feed the western sectors). These opinions were also held by some American policy-makers. The important point is that there

were no hardliners or soft-liners as were found in Diesing's and Lockhart's cases. On both sides, all were hardliners. The differences among them were only a matter of degree: for example, Clay's view of the supergame implications of Berlin was more extreme than the view predominating in Washington, though as the crisis progressed Washington came to hold Clay's view. The extent to which the French and British positions differed from that of the United States is not significant except as they might have influenced the final U.S. position. When one considers that the American position was generally a stronger position than that held by either Britain or France, their views only become important to the extent that they led the U.S. to reject Clay's more extreme position. Since opposition to Clay's position was sufficiently strong in the absence of the views of American allies (no one backed Clay's recommendation that an armored column be sent up the autobahn), crisis can be analyzed without much attention to the role of France and England. Further support for this position can be found in the fact that the Soviet Union did not engage in tactics intended to split the Western powers.

The specific concerns that the Soviets had in Berlin, in Germany as a whole, and with Germany as a member of an American-dominated alliance all stemmed from the movement towards unification in the western zones. The historical narrative offered in the first section of this paper with the Soviet departure on March 20 from the Allied Control Council in response to Western refusal to inform the Soviet Union of progress of the six-power talks in London. In April the Soviet Union began harassing tactics with the imposition of restrictions on rail and road traffic between Berlin and the Western zones. On June 7 the London Recommendations were published and the Western intention to create

Western Germany was made absolutely clear. On June 11, railway traffic to Berlin was halted for two days; the next day the autobahn bridge was closed for "repairs". The Soviets withdrew from the Allied Commandatura (ruling body in Berlin) on June 16 and two days later the Western powers announced a currency reform for the western zones of Germany, but not Berlin. On the 23rd, the Soviet Union announced currency reforms for East Germany and all of Berlin; and the West responded immediately with a currency reform in West Berlin. On June 24, the Soviets imposed a full blockade.

The discussion of the bargaining process will begin with the announcement of the London Recommendations as the beginning of crisis; but this is only because it was the formal initiation of the process of integration which the Soviet Union was attempting to counteract. The Soviet decision to impose a blockade had two principle objectives. The maximum goal was to stop the movement towards West German unification. Failing achievement of this objective, the Soviet Union wanted to drive the Western powers out of Berlin and incorporate their zones into Eastern Germany. This can be called the bargaining range of the Soviet Union.

The costs to the Soviet Union of the Western presence in Berlin are clear in retrospect. The drainage of indispensable human resources through Berlin would handicap economic recovery in East Germany and the existence of Berlin as an avenue for refugees from Eastern Europe would prove to be a propaganda disadvantage. In 1948, however, the Soviet Union felt it necessary to impose strict customs control in order to stop the flight of capital from East Germany. Since such measures are no stronger than their weakest link, the lack of any frontier control either between Berlin and the suburbs or between the different sectors

of Berlin meant that capital repatriation could easily occur. The ease with which capital assets from the Soviet zones could be transferred to the West meant that human resources would be drained from East Germany, and through the simple expedient of setting up a branch office in Berlin and camouflaging the operations, the capital equipment, as well as the capital, could be shifted to the West as well. Since it would be difficult for the Soviet Union to control access to the city from the suburbs, they wished to regulate transactions between Berlin and the western zones. But as this kind of control could easily turn into political control, it was resisted strongly by the Western powers.

The supergame implications of the Berlin blockade for the Soviet Union are obvious. Principally they were willing to trade Western access to Berlin for a return to quadripartite control of Germany, based on the principle of unanimity. This, of course, represented a return to the "status quo" represented by Potsdam and would have given the Soviet Union a veto over the future form of Germany. Unlike the United States, whose principal fear was of a centralized Germany dominated by the Soviet Union, the Soviet Union appeared willing to trade its half a loaf, East Germany, for the ability to influence the nature of the postwar Germany. This is certainly understandable since West Germany was by far the richest of the two, Eastern Germany having been principally a supplier of raw materials to the western portions.

The United States did not place the same intrinsic value upon possession of Berlin that the Soviet Union did. Its value as a leak in Soviet economic control of Eastern Europe did not seem to be recognized by U.S. decision-makers. Most saw Berlin itself as a liability; it had been devastated by the war, dismantled by the Soviet Union in the 50

days before the Western powers took over their zones, and cost the West \$250 million per year to feed and supply. Both commentators and policymakers of the period suggested that the United States should divest itself of a liability which, in addition, was a constant irritant to the other side, in return for something more valuable such as a peace treaty with Austria. The arguments for remaining in Berlin were largely supergame ones. Clay argued that to retreat from territory under pressure would be appeasement, defeat, an erosion of commitment, a retreat from containment, and a victory for international communism. A more concrete result of retreat from Berlin would be the message it would convey to the West Germans: could the United States expect West Germany to join the Western Alliance if we did not maintain our present commitment to the people of Berlin? Though perhaps this was not really an "interest" of the United States, decision-makers were concerned about our legal rights. Forrestal recalled that in the first policy meeting on Berlin in Washington the discussion focused "on the controlling legal rights and undertakings."³⁴ Truman, in fact, cut off discussion about the value of Berlin by stating that "we were in Berlin by terms of an agreement and that the Russians had no right to get us out by either direct or indirect pressure."³⁵ This appears to have been the dominant factor in the initial decision to remain: The U.S. had a right to be there and we would stay there. Calculations about how much risk should be accepted devolved on questions of interest, but the initial decision to remain did not. The United States was clearly not seeking goal achievement as much as operating under a constraint--no precipitated withdrawal from Berlin and then searching for means by which this could be accomplished. The United States did not have a bargaining range, but rather

a minimally acceptable condition. It was a condition, however, that did not overlap the Soviet Union's minimum objective.

Before turning to the bargaining process itself, this question of the legal rights of the Western powers to access to Berlin should be discussed. The Western powers never possessed any formal agreement guaranteeing free access to the city. During wartime negotiations, Washington had never raised the question of access since they felt it could be settled at the military level. This was not an unreasonable position since the Soviet representative on the European Advisory Commission (the top planning staff of the Allies) had repeatedly stated that "the presence of American and British forces in Berlin 'of course' carried with it all necessary facilities of access. . ." ³⁶ Later Clay and General Weeks (the British military governor) reached a verbal agreement with Marshall Zhukov that a rail line, a main highway and two air corridors would be used for entry of Allied personnel into Berlin. No permanent allocation of routes was made because the Western governors feared that this might be later construed as limiting the right of access to these routes alone.

After Western forces had entered Berlin, the Soviet Union filed a number of protests charging violations of air-safety regulations and digression from the air corridor to Berlin. Western pilots had been operating according to verbal agreements which had specified that they were to follow the line of railroad or the highway across the Soviet zones from Helmstedt in the British zone. Not only did flights from the American zone have to fly north before they flew east into Berlin, but as this agreement required visual navigation there were undoubtedly many corridor violations during bad weather. Under pressure from the U.S.

members of the Air Directorate of the Allied Control Council, the United States proposed the establishment of six corridors which radiated in all directions. Moscow refused to approve corridors to Copenhagen, Warsaw and Prague. After some delay, preliminary agreement was reached on Nov. 30, 1945 in the Allied Control Council. Three airways were established and the Air Directorate was directed to establish safety regulations. The agreement was formally signed in early 1946.

Only air access was ever formally agreed to, which is significant since the Soviet Union never interfered with air travel beyond occasional harassment and verbal threats. Access rights over land and rail were never formalized by written agreements and Western justifications for these rights had to rest upon past custom. The first protest issued by the Western powers emphasized that wartime agreements "implied the right of free access to Berlin" and that "this right has long been confirmed by usage."³⁷

THE BARGAINING PROCESS

The description of the bargaining process will consist primarily of the chronological ordering of actions. If necessary, detail will be added where the significance or the intention of an action is not self-explanatory. The essential bargaining process will be abstracted from this chronology

March 20--The Soviet Union walked out of Allied Control Council (Clay thought the timing of the move indicated it was premeditated) in response to Western refusal to disclose content of the six-power talks in London.

April 1 --Soviets began harassment with rail and road restrictions on Allied traffic. Also air traffic was "buzzed" by Russian fighters.

Davison concludes that these were probing tactics intended to ascertain what the probable Western responses would be to imposition of the blockade. Since the Americans and the British were much more sensitive to infractions in the air corridors than to interference with rail and road traffic, he concludes that the Soviet Union was aware that interference with air traffic carried much higher risks of conflict than a blockade on the ground.

June 7 --The London Recommendations were announced by the U.S., U.K., France and the Benelux nations. No doubt remained about the intention to merge the three western zones.

June 11--Rail traffic was halted between Berlin and West Germany for two days.

June 12--The highway bridge on the autobahn to Berlin was closed for "repairs."

June 16--Soviets left a Berlin Kommandatura meeting before it was adjourned.

June 18--the Western powers announced a currency reform for West Germany which did not include Berlin.

The importance of currency reform is not to be underestimated. The issuance of currency is one of the decisive acts of sovereignty. This currency reform eliminated over 90% of the old Reichsmark currency holdings or bank deposit claims and established a new Westmark which was issued and controlled by the Western powers. The implications for the eastern sectors were severe. The old currency still retained buying power in East Germany. Hence a flow of devalued currency to the east would add to the already rampant inflation and the difficulties of controlling the black market. In addition, the Western occupying powers still possessed great quantities of the old currency which they could have used in East Germany in deliberate efforts to undermine economic recovery. This compelled the Soviet Union to respond with a new eastern currency.

The problem of currency in Berlin, however, was the most difficult. A separate currency could have been set up as the U.S. suggested, but the Berliners themselves wanted integration with their respective zones. The Soviets, however, were not interested, at this time, in such a policy. Obviously they had determined upon a course of action that would remove the West from Berlin. Having seen the western zones move towards unification and alliance with the West, the Soviets had no desire for the same phenomenon to be replicated in Berlin. In response to the Western currency reform, therefore, the Soviet Union became adamant on excluding all Western currency from Berlin and declared their intention to include all of Berlin in the Eastern monetary reform. Their assertion of control over currency would have given them ultimate economic authority in Berlin and would have signalled the separation of Berlin from the West. The injury done to the Western powers was not so much economic as

political--the imposition of Soviet zone currency in Berlin would have implied the abandonment of Berlin to eventual integration into Eastern Germany.

June 21--Soviets announced currency reform in East Germany.

June 22--The Soviet Union's currency reform was extended to Berlin.

According to later French statements, the French had persuaded the British and American representatives to permit Soviet-sponsored currency as the legal tender in Germany. The Soviet Union, however, forced the issue and rejected all four-power regulation since "Russian legislation must apply to all sectors of Berlin."³⁸ Talks broke down late that night.

June 23--Both sides announced currency reforms that applied to Berlin. Riots occurred at city hall which was located in the eastern zone, the first of a long series of harassing actions taken to impede the activities of pro-Western city government.

June 24--The blockade was imposed. Electric current was cut off because of "technical difficulties" at the plants located in the eastern zone. Rail service also ceased because of "technical difficulties." The British halted the coal and steel shipments to the eastern zone (the Soviet Union had been receiving a million tons of coal and 30,000 tons of steel from the Ruhr each month). Propaganda from East Berlin emphasized the approaching food crisis and the Western authorities responded that there would be no shortage in the immediate future.

June 25--The United States and Britain began the airlift.

Clay returned to Berlin from army headquarters in Heidelberg on the evening of the 24th. His staff advisors were unable to recommend a course of action. Opinion was split between those who thought that the Soviets were bluffing and would back down and those who felt that the United States should begin to prepare to withdraw. Clay, however, was convinced that it would be politically disastrous to retreat, but also

felt that the United States could not remain if faced with violent civilian disorders because of famine. Previously contingency plans existed for airlift support of occupation personnel, but the feasibility of supporting the whole population by air had not been examined. General Clay called Ernst Reuter, leader of the Social Democrats and recently elected mayor (not seated, however, because of Soviet opposition), who answered positively to Clay's query about the willingness of the Berliners to subsist on very minimal levels of supplies. Clay then contacted General Curtis LeMay at U.S. Air Force headquarters in Wiesbaden and initiated shipments by available aircraft.

The impact of Clay's initiatives should not be discounted, for in their absence the response of the United States might have been considerably different. Dean Acheson's recollections emphasize the importance of Clay's influence: "After a difficulty and tense period in which General Clay's calm determination steadied our own government and held our allies together, the Western powers settled down to build up the airlift. . ."³⁹ The first response from the Army Department was to suggest to Clay that the introduction of Western currency in Berlin be slowed down if there was any possibility of armed conflict. Clay replied on the evening of the 25th that it was too late, as the exchange of currency had started that morning. He insisted, moreover, that any retreat would undermine the support of the Berliners and be an act of appeasement:

Every German leader, except SED leaders (the German Communist Party), and thousands of Germans have courageously expressed their opposition to Communism. We must not destroy their confidence by any indication of departure from Berlin. . .If the Soviets want war, it would not be because of Berlin currency issue but because they believe this the right time.⁴⁰

On the same day, Truman had met with Defense Department officials and discussed the legal basis for U.S. claims to access. Two days later,

an emergency meeting on Berlin was held. In attendance were Secretary of the Army Royall, Secretary of Defense Forrestal, Under Secretary of State Lovett, Navy Secretary Sullivan, Army Chief of Staff Bradley, and Norstad of the Air Force. According to the Forrestal Diaries, the potential of the airlife was clearly not recognized. The discussion assumed that the airlift and present supplies would feed Berlin for thirty days and the introduction of dried foods might double this. Within this context, three options appeared available: 1) withdraw, 2) defend Berlin by all possible means, and 3) maintain for the present a firm stand while postponing the final decision. In addition, they discussed the advisability of sending two B-29 bomber squadrons to Germany and two more to England.

The next day Truman was briefed on the discussion and was presented with the arguments pro and con for each option. When the issue of withdrawal was raised, Truman ended all discussion by maintaining that the U.S. would remain in Berlin. Secretary of the Army Royall felt this decision was premature because it committed the United States, without sufficient study, to a position which meant they might have to fight their way into Berlin. Truman replied that this situation would be dealt with when it occurred, but that it was our right to remain in Berlin. Truman also authorized sending of the bomber squadrons to Germany.

July 1 --The Soviet Union officially withdrew from the Kommandatura, citing unilateral actions by the Western powers and declaring that four-power administration of Berlin no longer existed.

July 3 --The three Western military governors met with Marshall Sokolovsky and expressed their desire to reach an accommodation on the currency issue that would permit resumption of normal traffic. Sokolovsky responded to Clay that, in Clay's words, ". . .the technical difficulties would continue until we had abandoned our plans for West German government," thus bypassing the whole question of the Berlin currency.⁴¹

July 6 --Identical protest notes were presented by the West to the Soviet Union. Identifying these "measures of blockade as a clear violation of existing agreements concerning the administration of Berlin by the four occupying powers," the West declared their willingness to enter into four-power talks on problems arising from the administration of Berlin but that they would do so only after the blockade had been lifted.⁴²

July 14--The Soviets reply. Listing Western violations of wartime agreements on Germany (separate currency reforms and "policy of dismemberment" of Germany), the Soviet Union declared that the Western powers had "reduced to naught" their right to participate in the occupation of Berlin and that "Berlin lies in the center of the Soviet zone and is part of that zone." Finally the Soviet Union expressed willingness to enter negotiations but would not agree to any preconditions nor to limiting discussion to Berlin since "that question cannot be severed from the general question of four-power control in regard to Germany."⁴³

On July 10 Truman rejected Clay's proposal that the United States inform the Soviet Union that on a given date an armored column would be sent up the autobahn. Clay felt the risks of armed conflict were small because of "the care with which the Russians avoided measures which would have been resisted with force."⁴⁴ According to Acheson, Truman was agreeable, if the Joint Chiefs of Staff would approve this recommendation in writing. Murphy, Clay's political advisor, recalled that "the National Security Council did not share our confidence that the Russians were bluffing."^{45**} Despite Clay's insistence that the United States had to be willing to accept some risk in order to stop Soviet aggression, Truman heeded his advisors in Washington and matched Soviet caution in avoiding

**Clay's confidence seems unwarranted in the light of his experience in April. At this time Clay tested a Soviet order requiring inspection of military trains. As Clay observed at the time, "The train progressed some distance into the Soviet zone but was finally shunted off the main line by electrical switching to a siding, where it remained for a few days until it withdrew rather ignominiously. It was clear the Russians meant business."⁴⁶

moves of high escalatory potential. Instead the United States proceeded to initiate a number of diplomatic efforts designed to trade concessions on the currency question in return for a removal of the blockade.

Before examining the diplomatic exchanges between the Soviet Union and the United States, two ongoing processes must be discussed: the events in Berlin and the progress of the airlift. In Berlin, Soviet and East German authorities throughout the crisis undermined the city government and put pressure upon Berliners in the Western zones to reject the West. Since the offices of the city government, including the Treasury, were located in the eastern zone, disruption of the city government was easily achieved. By September the process towards a permanently divided Berlin was well underway with a newly created government for the western zones. Communist propaganda campaigns were intense and focused primarily on the inability of the West to supply Berlin and on the immediate availability of supplies from the Eastern authorities. A counterblockade was imposed by the western powers which gradually stopped all mail and road traffic between East and West Germany. These activities are not particularly important with respect to crisis bargaining, but they are significant in their implications for the American position: if Berliners refused to support the Western powers, they would have to withdraw from Berlin.

The airlift itself, it must be emphasized, was not perceived as a "circumventing move," by either the Americans or the Berliners. As Davison concludes,

. . .during the early days of the Berlin crisis. . .the airlift was regarded primarily as a device to gain time for diplomatic negotiations, and its potentialities as a means of breaking the blockade were not recognized. Even after a week of operation (during which estimates of capability almost doubled from the

initial 500-700 tons per day estimate of Clay), estimates of the maximum that could be brought into Berlin by air were only for about one-fifth of the supplies that were ultimately flown in.⁴⁷

An American Air Force officer, Major Edward Willerford, who helped plan the airlift, reports on a staff meeting held on June 29:

. . .When we got to the point in the meeting where it was necessary to make a forecast on our potential performance. . .I stood up and said, "I estimate by July 20, we'll be flying in 1,500 tons every 24 hours. (In April 1949, the airlift brought in 235,000 tons with a one day record of 12,490 tons, equal to preblockade figures) I looked around proudly and everyone was studying me in consternation. You could read it all over their faces: "Poor old Willerford is tetches in the head. . ." For you see, that day, by straining ourselves black in the face, we'd hauled in 384 tons, and to quadruple that amount in a little over two weeks, looking back now, seemed insane. . .Anyway, if you run across anyone in the theater who tells you that he knew we could do it all the time, pass him up. We didn't know all the answers all the time. We kind of astounded ourselves.⁴⁸

Air Force officials in Washington expressed serious reservations about the airlift. General Vandenberg stressed that a maximum airlift would deprive other theaters of their emergency air force and that in the event of a war the bulk of them would be destroyed and the ability of the U.S. to wage strategic warfare would be critically reduced. On July 22, however, the National Security Council decided to drop further consideration of an armed convoy and to concentrate on expanding the airlift because it was less likely to produce war.

This caution was matched by the Soviet Union's reluctance to challenge the West's prerogatives in the air corridors. The Soviet Union engaged in numerous harassing actions involving the use of barrage balloons and buzzing aircraft, complaints of unilateral violations, and threats of closure. Western responses were strongly worded to the effect that the only way the Soviet Union could stop the airlift was to shoot the planes down. That the Soviet Union never seriously tried to interfere

with air traffic indicated their desire to avoid escalation. It also indicated that they concurred in Western estimates of the efficacy of the airlift--after all, why risk war to counter a move that will prove ineffective anyway?

The United States' decision to send two squadrons of B-29's equipped with nuclear weapons to Britain did not appear to have an appreciable effect upon Soviet calculations. Though it did increase the U.S.'s strategic capability, the Soviet Union already had avoided any acts which might provoke a war and certainly they were aware of the U.S. nuclear capability before the planes were sent to Britain. In any case, this action did not cause the Soviet Union to deviate or retreat from their policy in any discernible manner.

In summary, then, U.S. policy in July was based on the assumption that the airlift would only gain additional time for diplomatic negotiations. Truman told Forrestal on July 19 that it was U.S. policy to "stay in Berlin until all diplomatic means had been exhausted in order to come to some kind of an accomodation to avoid war."⁴⁹ The ambivalent nature of this statement should be made clear: The U.S. was determined to stay in Berlin but they were to use only diplomatic means. If, indeed, the Soviet's minimum objective was to drive the West out of Berlin, they would reject all diplomatic compromises offered by the United States. Did Truman then intend to go to war rather than be driven out of Berlin? Certainly his advisors did not think Berlin was worth going to war. In fact, some felt it would be better to withdraw from Berlin now in order to avoid future situations that might lead to war because of the irritant that Berlin would always represent to the Soviets. Fortunately the issue never arose. The Soviets remained obstinate, the U.S. futilely attempted

to negotiate, and the surprising success of the airlift made the calculations of both sides irrelevant.

Two weeks after the Soviet note rejected Western protests, the Western ambassadors requested a meeting with Stalin and Molotov to discuss the Berlin situation. U.S. Ambassador Walter Bedell Smith's report on the August 2 meeting noted Stalin's good humor, and he observed that from Stalin's point of view this good humor was justified for Stalin "had confronted us with the flat alternative of getting out of Berlin in ignominious defeat or of staying on under sufferance and abandoning our announced plan of setting up a separate government for Western Germany."⁵⁰ Ambassador Smith served as chief spokesman for the West and had "serious doubts" about the ability of the airlift to supply Berlin during the Winter, thereby giving added impetus to his efforts to arrive at some compromise. Throughout August, negotiations with Molotov continued. After a complete impasse had been reached, Smith requested and received another meeting with Stalin on August 23. Stalin's answer to a query on the West's juridical rights in Berlin clearly indicates the interdependency in the Soviets' view between the Berlin question and Western plans for a West German state:

Stalin replied that, if German unity were restored by confirming the decisions of previous Four Power conferences, Berlin would remain the capital of Germany and then there would be no objection to the forces and authority of the three Western powers remaining in Berlin and sharing the control of the German government in Berlin with the Soviet Union. If this did not happen, then Berlin would lose its standing as the capital of Germany.⁵¹

On August 30 the Moscow Agreement was announced. Its provisions included making the eastern mark the sole currency in Berlin and a convening four-power meeting to discuss any questions concerning Berlin and Germany as a whole in return for lifting traffic restrictions.

These provisions were, however, "subject to agreement being reached among the four military governors in Berlin for their practical implementation."⁵² The Agreement directed the military governors to begin negotiation and to decide upon procedures for implementation by September 7th.

Clay was extremely unhappy with this settlement. Arguing that the negotiators were just attempting to get a settlement for settlement's sake**, Clay insisted that he was only being asked to do that which he had already failed to do. In particular he questioned the lack of any assurance in the directive that there would be four-power control of Berlin's currency, though Stalin had verbally promised it to Smith on Aug. 23rd.

The military governors first met on August 31 to make the "necessary technical arrangements" for lifting of the blockade and introducing the eastern mark. By this time, the attitude of OMBUS was appreciably firmer. Unlike either of the negotiators in Moscow or decision-makers in Washington, the predominant view in Berlin was that the air-life could supply the city throughout the winter. The experience of the blockade--in particular, the resistance of Berliners to all Soviet offers of food in the eastern zones--had strengthened the feeling, moreover, that any compromise would be a betrayal of a faithful people. Whether this change in attitude would have made any difference is unclear because Marshall Sokolovsky's interpretation of the directive was

**This was clearly the case. Not only did Smith doubt that the present situation would work to the advantage of the West, but said that the American embassy had concluded that the sincerity of Soviet intentions could only be tested by shifting the locus of negotiations to Berlin.

so extreme that no one--not even the French nor State Department officials in Washington--were inclined to accept. The Soviets insisted on complete control of trade with Berlin (the capital flight issue), rejected any four-power supervision over the issuance of the eastern mark and demanded restrictions on civil air traffic to Berlin.

Apparently the Soviet Union had decided that time was on their side. Clay concluded that the Soviet Union felt that the airlift would fail and that it would be "physically impossible" for the West to remain in Berlin.⁵³ This is probably correct. The Moscow Agreement contained nothing in it that would prevent the creation of Western Germany and the Western powers had certainly not indicated that they had been swayed from their plans. Most likely the Soviet Union was now concentrating on its minimum objective: inclusion of Berlin into the Eastern zone. During the fall the blockade was tightened considerably; new regulations were announced frequently and considerably more border guards were brought up. The Soviet Union also proceeded to consolidate communist control in East Germany and East Berlin and increased its efforts to undermine the Berlin city government, including the dismissal of all non communist officials in the eastern sectors (in late October, five of the eight boroughs in the eastern zone still had had Social Democratic mayors). On November 30, the Berlin Communist Party officially split the city government by establishing a new government.

The locus of diplomatic negotiations shifted to the United Nations. The response of Washington to the failure of negotiations in Berlin was to redouble its diplomatic efforts. Secretary of State Marshall still felt that time was on the side of the Soviet Union in the light of Air

Force Secretary Symington's estimate that the airlift could bring in only 5,000 tons daily.⁵⁴ The winter months would mean coal supplies, which would demand greater tonnage. Furious exchanges of notes occurred during this period. Gradually the veil of secrecy was lifted, and charges and countercharges were made publicly. On Sept. 29 the Western powers asked the Secretary General of the United Nations to have the Security Council consider "at the earliest opportunity" the threat to the peace that Berlin represented.

The Western powers had decided to appeal to world public opinion or, a more cynical view, they had decided to gain what propaganda value they could out of alleged Soviet inhumanity. The Soviet Union officially replied on October 3rd. The Soviet Union stated in essence that the UN had no jurisdiction as it was a problem of four-power administration, that the Moscow Agreement should be recognized as the basis for a Berlin settlement, and that the Council of Ministers should be convened to discuss the whole German situation. Despite Soviet objections, the Security Council did discuss the question. On October 22, the six "neutrals" on the Security Council offered a resolution as a basis for settlement. Essentially it was a reaffirmation of the Moscow agreement with the exception that the traffic restrictions were to be lifted immediately and that then the military governors were to arrange for the introduction of the eastern mark. The Soviet Union vetoed the resolution because the two actions were not to be taken simultaneously.

Stalin issued a statement in Pravda on October 29 in which he offered a solution to the Berlin situation which he claimed was an agreement on which the West had reneged. This "agreement" provided for

simultaneous lifting of the blockade and introduction of the east mark as sole currency in Berlin. This does not appear to have been an offer--it merely reaffirmed the Moscow Agreement--unless one concludes that the Soviet Union never really meant to implement the original Moscow agreement (it was just a stalling tactic) and now would agree to do so.

Renewed U.N. activity resulted in the appointment of a "committee of experts" from the six neutral nations which would attempt to work out all of the "necessary technical details" involved in the introduction of the eastern mark. This was intended to remove the need for negotiation between military governors so that the blockade-lifting and introduction of the mark could occur simultaneously. Secretary General Trygve Lie appointed Gunnar Myrdal as his representative on the committee. In response to queries for a statement of position, the Soviet Union reiterated the position of the Moscow Agreement, but the Western powers indicated that since August 30 (the date of the Moscow Agreement) the situation had changed considerably. Where previously four-power control of currency distribution would have been sufficient, now that the city administration was rapidly dividing, the West had to insist upon four-power control of the Soviet bank of issue, insofar as its activities applied to Berlin. When the Berlin government officially split on November 30, the position of the West hardened still further. They told the neutral committee that they could no longer agree in advance to whatever recommendations to the Security Council the committee might make. A few days later the West officially announced that in view of the division of the city government, no agreement on currency was possible.

Shortly before Christmas the committee produced a proposal based upon the Moscow Agreement. The U.S. refused to accept it as a basis for discussion even though the French and British were willing. As one American official remarked, the committee, "took the 'neutralist' position that East and West were equally to blame for the situation in Berlin, and they were always trying to shove east marks down our throat."⁵⁵ In January, the U.S. issued a counterproposal stipulating that the eastern mark would be the sole currency in Berlin, but that it would be controlled exclusively by the Western powers in West Berlin. The U.S. position changed further: by the end of January the U.S. stated that the west mark would continue to circulate until a unified city administration was restored. At this time, France and England were again in full agreement with the United States. On Feb. 11, the report of the committee of neutrals stated that "the present positions of the experts of the Four Occupying Powers are so far apart in this matter that further work by the Committee, at this stage, does not appear useful."⁵⁶

Not only did the position of the U.S. harden with respect to Berlin but also towards the entire question of policy towards the Soviet Union. Berlin functioned as a catalyst for the integration of the Atlantic Community. The Soviet blockade polarized the situation in such a way that European cooperation with American policy was easily gained. The Social Democrats, who advocated a Germany independent of both East and West, were isolated; and the new state of West Germany was to be strongly pro-American. The institutional structure of the Marshall Plan was set up and American capital began to flow into Western Europe (five billion dollars by March 1949). The last half of 1948 was devoted to negotiations over a military alliance which culminated in the signing

of the North Atlantic Treaty on April 4. In a real sense, the blockade and the resulting airlift had become both a symbol of and justification for the Cold War. Particularly within the United States, the symbol of Berlin aided in the elimination of anti-German feeling and in securing support for the Administration's Cold War program.

The Soviet Union had failed in its minimum objective of driving the West out of Berlin. During the fall and winter months of 1948, the effect of Soviet actions was to consolidate their control in East Berlin, even though that eliminated any possibility of Soviet influence over the western sectors. This was an indication that the Soviet Union had despaired of achieving even its minimal goals, and had to be content with only East Berlin. In any case, by the end of January, Stalin had decided that it was now time to remove the blockade which had served Western interests so admirably.

In his reply on Jan. 31 to a list of questions submitted to him by Kingsbury Smith, European manager of the International News Service, Stalin indicated that conditions for the removal of the blockade had changed:

Question: If the Governments of the United States of America, the United Kingdom and France agreed to postpone the establishment of a separate Western German state, pending a meeting of the Council of Foreign Ministers to consider the German problem as a whole, would the Government of the U.S.S.R. be prepared to remove the restrictions which the Soviet authorities have imposed on communications between Berlin and the Western zones of Germany?

Answer: Provided the United States of America, Great Britain and France observe the conditions set forth in the third question, the Soviet Government sees no obstacles to lifting transport restrictions, on the understanding, however, that transport and trade restrictions introduced by the three powers should be lifted simultaneously.⁵⁷

The significant omission of the currency problem from Stalin's response paved the way for reopening U.S.-Soviet discussions. On Feb. 15, U.S. Ambassador to the U.N. Jessup asked his Soviet counterpart, Jacob Malik, whether the omission was "not accidental" and negotiations were resumed.

There were other signals of a change in Soviet intentions. A violently anti-Western speech by a junior official in the Soviet Military government in Berlin was suppressed, indicating a Soviet desire for a relaxation of tensions. A press conference that was to be held on Jan. 26 by representatives of the East European Communist Parties currently meeting in Berlin was cancelled. More significantly, Walter Ulbricht in a speech to these delegates reportedly said, "We do not consider Berlin a Soviet zone city, but the German capital" and as such not to be incorporated into the Soviet zone. This was a departure from the customary position that Berlin was an integral part of the Soviet zone.

After Malik's reply to Jessup, agreement was reached rapidly. An official announcement on May 4 stated that traffic restrictions would be lifted by both sides on May 12. In addition a meeting of the Council of Foreign Ministers was to be convened on May 23 "to consider questions relating to Germany and problems arising out of the situation in Berlin, including also the question of currency in Berlin."⁵⁸

The decision of the Soviet Union to lift the blockade can be explained by the counterproductive effects that the blockade had had. The blockade was initially designed to use Berlin as both a lever and a prize. The Soviet Union's maximum objective was to retard integration of West Germany into the Western alliance. The impact of Berlin was precisely the opposite. Failing accomplishment of this, the Soviet

Union wished to integrate Berlin in East Germany. The blockade had the opposite effect, as the Soviet Union lost all influence over West Berlin and drove both the Western powers and the West Germans into accepting Berlin as an outpost of West Germany, the integrity of which was to become intimately tied to the integrity of West Germany. In addition, although the volume of trade had never been very large, the counter-blockade had deprived East Germany of some critical goods. The primary factor, however, must have been the desire to remove the counterproductive influence of the blockade. Soon afterwards, the Soviet Union began its "peace campaign" which was an effort to arouse "neutralist" sentiment in Western Europe and encourage divisions among the Western powers, which would prevent them from forming a solid military alliance against the Soviet Union.

EXPLANATION OF THE OUTCOME

Despite its length and importance, the basic structure of the first Berlin crisis is absurdly simple. The Soviet Union, perceiving a trend in the pattern of events which was contrary to its interests, made a coercive move. The United States, unwilling to directly counter the move because of fear of escalation, initiated a temporizing tactic, the airlift, designed to give more time for negotiations. Both sides miscalculated the ultimate effectiveness of the airlift. The Soviet Union felt it did not have to compromise because time was on its side. The United States was unwilling to capitulate before it had to, and its efforts to get the Soviet Union to compromise were futile. When it gradually became clear that the airlift was in fact a "circumventing move", though it had not been so intended, the aspirations of the United States increased and they became unwilling to accept what they previously had sought as a compromise solution. The Soviet Union soon saw that time was now on the side of the Western powers and they rescinded their coercive move. The status quo post was different, however, for the coercive move had the impact of hastening the tendencies it was intended to inhibit. In conclusion, the outcome--restoration of the status quo, i.e. removal of the blockade--can be explained by the fact that the Western powers ultimately found a move that countered the initial move and the Soviet Union was unwilling to escalate further. After a length of time sufficient to test the effectiveness of the Western response, the Soviet Union backed down.

Footnotes

1. p. 213, Athan Theoharis, "The Rhetoric of Politics: Foreign Policy, Internal Security, and Domestic Politics in the Truman Era, 1945-50," in Bernstein, Politics and Policies of the Truman Administration.
2. p. 33-4, Manuel Gottlieb, The German Peace Settlement and the Berlin Crisis
3. p. 4, John Gimbel, The American Occupation of Germany: Politics and the Military, 1945-9
4. p. 155, Gottlieb
5. p. 241, Lloyd C. Gardner, Architects of Illusion: Men and Ideas in American Foreign Policy
6. Idem.
7. Idem.
8. p. 243, Gardner
9. p. 36-7, fn, Gottlieb
10. p. 52-3, fn, David Horowitz, The Free World Colossus
11. p. 28, fn, Gottlieb.
12. Idem.
13. p. 25, W. Phillips Davison, The Berlin Blockade: A Study in Cold War Politics
14. p. 30, Gimbel
15. p. 87, Gimbel
16. p. 39, Gimbel
17. p. 25, Gimbel.
18. p. 248, Gardner
19. p. 59, Gimbel
20. p. 60, Gimbel
21. p. 57, Gimbel
23. p. 120-1, Gimbel.
24. p. 121, Gimbel
25. p. 168, Gimbel
26. p. 121, Gimbel
27. p. 152, Gimbel
28. p. 437, Adam B. Ulam, Expansion and Coexistence: the History of Soviet Foreign Policy, 1917-67

29. p. 446, Ulam
30. p. 79, Gottlieb
31. p. 194, Gimbel
32. p. 22, Marshall D. Shulman, Stalin's Foreign Policy Reappraised
33. p. 361, Lucius D. Clay, Decision in Germany
34. p. 13, Lawrence Scheinman and David Wilkinson, International Law and Political Crisis
35. p. 110, Davison
36. p. 4, Davison
37. p. 20, Scheinman
38. p. 93, Davison
39. p. 264, Dean Acheson, Present at the Creation: My Years in the State Department
40. p. 366, Clay
41. p. 367, Clay
42. p. 205, U.S. Department of State, Germany 1947-9, The Story in Documents
43. p. 206-9, State Dept.
44. p. 374, Clay
45. p. 262, Acheson
46. p. 263, Acheson
47. p. 150-1, Davison
48. p. 112-3, Davison
49. p. 154, Davison
50. p. 158, Davison
51. p. 160, Davison
52. p. 161, Davison
53. p. 370-1, Clay
54. p. 128, Harry S. Truman, Memoirs: Years of Trial and Hope
55. p. 248, Davison
56. p. 248-0, Davison
57. p. 254, Davison
58. p. 271, Davison

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