
The Berlin Blockade

*A STUDY
IN COLD WAR POLITICS*

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Consolidation of Communist Control in East Germany

Plans for the formation of an East German state had apparently been prepared before the blockade, and were ready to be put into effect if the Western powers refused to make concessions in West Germany. The resistance of the Western powers and of the embattled Berliners had made it impossible for the Soviets to include all Berlin in these plans, but Moscow nevertheless went ahead with the consolidation of East Germany, although probably more slowly than originally contemplated. According to one leading student of East Germany, provisional appointments to ministerial posts apparently were made during the summer of 1948; and the unofficial People's Council was quietly told to be ready to perform the role of an East German legislature.¹⁸ In addition, the SED two-year plan for East Germany was announced almost simultaneously with the start of the blockade.¹⁹ Efforts to implement this program proceeded from July on, although apparently without notable success.²⁰

The next major step was the adoption of a draft constitution for a "German People's Republic" by the communist-dominated People's Council. This move was announced on August 3, just as Soviet and Western representatives were meeting in Moscow, and was believed by some observers to be intended to strengthen the Soviet hand in these negotiations. The constitution was put forward in a context which made it clear that it could apply either to Germany as a whole or to the Soviet zone alone.²¹

During September and October reports about the formation of an east zone government, and in particular about the establishment of armed forces in the east zone, became even more frequent. "Well informed sources" had it that plans for setting up the new government were going ahead rapidly, that Leipzig would be the provisional capital of the new German state, and that the ministries of the new government would be made up of elements from the German Economic Commission, which already was functioning as a provisional government.²² "Reliable Western intelligence sources" relayed the information that the Soviets and German Communists were organizing a police force of approximately 400,000 in the Soviet zone.²³ Further reports that the Soviets were preparing to transfer control of the east zone to communist officials backed by a police army were received almost daily from East German refugees during October.²⁴ In the Berlin City Assembly at the end of October, LDP Chairman Karl Hubert Schwennicke denounced the new

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police force as an organization which, "if one is to judge by its activities of the last few days, does not deserve the name 'People's Police', but is scarcely to be distinguished from the Nazi Elite Guard (ss) of the years 1933-1945."²⁵

In the effort to consolidate communist controls in East Germany, anti-Communists or non-Communists were removed from public office, the SED was purged of "unreliable" elements, political forces antagonistic to communism were suppressed, and supervision over the east zone LDP and CDU was tightened.²⁶ These measures set off an unprecedented wave of refugees to West Berlin and West Germany. During the first weeks of October at least fifty persons a day fled to West Berlin alone.²⁷ This number may appear modest when compared with the very much larger wave that came several years later, but it must be remembered that in the fall of 1948 Berliners were suffering real privation. Indeed, according to the east zone press, West Berlin was nearing starvation and could have looked attractive as a political haven only to those who were very strongly motivated to flee. The refugees included a number of former Social Democrats who had previously accepted merger with the SED, as well as administrative officials from government and industry and young people who were fleeing forced labor in the uranium mines.²⁸

Toward the end of November there were new rumors about an East German government, but this time with Berlin as the probable capital.²⁹ Whether or not reports such as these constituted accurate indications of Soviet plans, consolidation of communist power in East Germany clearly was moving ahead rapidly in the economic, military, and political spheres.

Communist Consolidation in East Berlin, and the Reaction in West Berlin

In the Soviet zone, consolidation of communist power created no major administrative problems, since the Soviet Union already exercised complete control in that area. In East Berlin, on the other hand, the Soviets were in the difficult position of occupying an area that they could not fully control. The democratic parties and other noncommunist groups were able to conduct political activities in the east sector, although under increasingly severe restrictions. Newspapers published in West Berlin, and many other publications that were annoying to the communists, could be purchased at East Berlin newsstands. There was a continuous flow of persons between the two areas of the city. Worst of all, from the Soviet point of view,

vigorous democratic leaders had captured the government of the city and made persistent efforts to exercise their authority in the east as well as the west sectors.

This was a situation that the Soviets could not allow to continue. East Berlin was far larger than any city in East Germany, and its industry represented a substantial proportion of the German industry open to Soviet control. Therefore, if the Soviets were to organize the economy and political structure of their zone without reference to East Berlin, they would be neglecting to exploit one of the most valuable areas under their influence. By the same token, if they allowed the pro-Western Magistrat to assert real authority in East Berlin, the strength of the east sector would tend to redound to the advantage of the West rather than to their own. Therefore, without abandoning their claims to West Berlin, the Soviets moved to bring East Berlin more fully under their control. They removed large numbers of noncommunist officials from the borough administrations, checked the growing power of the independent trade unions, tried to exclude the West Berlin press from the east sector, and in general tightened the controls on the political and cultural life of that area.

These consolidation tactics produced increasingly strong reactions in West Berlin as resistance morale there became ever more firmly anchored. In the government, the trade unions, and the cultural life of the city, the democratic leaders forged ahead to build political and cultural institutions that more nearly reflected their own ideals. The institutions of 1945, either communist-dominated or built on the concept that cooperation with the communists was possible, were abandoned one by one, and new or reconstituted institutions took their place. Thus there emerged more and more clearly the outlines of two cities where one had been before.

Soviet efforts to eliminate the influence of noncommunist individuals and organizations in East Berlin, although cautious at first, had started even before the blockade. The "September 9 Memorandum," which democratic German leaders submitted to Western authorities following the mass meeting before the Reichstag, listed in detail the earlier moves toward consolidation. Large sectors of the East Berlin economy had been arbitrarily removed from the supervision of the city government and entrusted to quasi-public bodies, such as the communist cooperatives and trade unions. The CDU and LDP had been declared illegal by the Soviet sector authorities, and communist-controlled splinter groups bearing the CDU

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and LDP labels had been recognized instead. Many leading non-communist borough officials had gradually been removed, as had noncommunist city officials in the police, the schools, the food office, and the labor office.

The SPD was being increasingly handicapped in its activities in East Berlin. The "September 9 Memorandum," in describing the severe restrictions under which the SPD had been operating, illustrates the gradual yet thorough methods used in stamping out non-communist political influence in East Berlin:

In the eight boroughs [of the east sector] certain party leaders who are especially well known and respected by the public are not allowed as speakers either at closed party affairs or in public meetings. . . . Discussion of questions which are of particular interest to the public is not permitted. . . .

In the case of public meetings, when permission is given at all, it usually is given at such a late date that it is no longer possible to inform people that the meeting is to take place. . . . Insofar as meetings can be held, they are almost always subject to supervision, even when the most private party affairs are to be discussed. If the [Soviet] borough command does not send one of its personnel to exercise this supervision, a stenographer is usually there. Even meetings of the borough executive committees have been subject to observation in this manner. . . .

Permission for meetings of all kinds is often given only after the third or fourth visit to the local military headquarters. Furthermore, the military authorities demand that applications be delivered and fetched in person by the chairman or secretary of the local group. To have to wait for several hours on several different occasions for permission of this sort has become the rule rather than the exception. And often these visits to the local commands involve being maligned in the most undignified manner.

For example, one party leader had to go to the borough command seven times before he was finally given permission to hold a meeting one hour prior to the time the meeting was scheduled to begin. In this case it meant that a factory worker had to miss 25 working hours in one week. . . . This example could be multiplied. Since almost all local group chairmen serve without

pay, in the long run it would seem that these methods would lead to the end of the party's activity. . . .

Every leading functionary of the Social Democratic Party in the east sector is continuously being threatened, so that one can no longer speak of free political activity. . . . Even if the will of the functionaries and members to preserve and strengthen the party has not been broken, there is no question that democratic development in the east sector can make no progress, since supervision by the NKVD and the SED has made it impossible for the democratic parties to carry on frank discussions. Numerous reprisals against individuals have led to a state of affairs where even in closed party meetings the discussion must be carried on in the secret language of the oppressed. . . .

Yet, despite all their efforts to undermine democratic processes in East Berlin, the Soviets had to realize that, in the late summer of 1948 the central city administration still exercised a considerable degree of authority in the east sector. There were still borough officials who defied communist dictation, the SPD continued at least some of its political activities, and the West Berlin LDP and CDU, though forbidden to function openly, still exercised an appreciable influence. The impending municipal elections which, under Berlin's provisional constitution, had to be held before the end of the year, threatened to make the situation even more difficult for the communists. It was clear that, if elections were conducted under conditions of even relative freedom, they would sharply reduce the SED's already slight strength in the Assembly, and would reimpose the grip of the Social Democrats on the east sector borough administrations. Furthermore, an electoral defeat would constitute a blow to communist prestige far beyond the city borders.

The desire to prevent elections from taking place in East Berlin and, if possible, in West Berlin as well, may have played a role in the communist decision, at the end of August, not to allow the Assembly to meet again in the city hall. One of the items on the Assembly agenda for August 27 had been the setting of a date for new elections, a decision that the Communists were eager to postpone. Furthermore, by driving the Assembly from the east sector, the SED provided itself with an excuse for not participating in its deliberations, and for arguing later that decisions made at Assembly meetings in West Berlin were invalid.

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Throughout the fall of 1948 the removal of democratic officials from the borough administrations of the Soviet sector proceeded at an accelerated pace. On September 20 Dr. Friedensburg told the City Assembly that, up to that time, 16 elected heads of borough administrative offices and 538 borough employees had been discharged in the east sector.³⁰ By the end of that month the noncommunist personnel chiefs had been removed in all eight boroughs of East Berlin.³¹ On October 10 it was reported that the total number of borough officials dismissed by Soviet command exceeded one thousand.³² By the time the split of the city was completed the total approximated two thousand.³³

While noncommunist borough employees usually were summarily dismissed, the Soviets were more cautious in their moves against elected officials, especially borough mayors, and ordinarily tried to find a pretext. As of October 25, 1948, five of the eight east sector boroughs still had Social Democratic mayors, one of whom resigned in November because he did not want to work with the "Democratic Bloc."³⁴ The position of these democratic mayors had been undermined, however, by the fact that a majority of their office chiefs were now members of either the SED or the communist-dominated eastern branches of the CDU and LDP. As a result of the 1946 elections, the east sector boroughs had been staffed with 88 principal officials (nearly all elected), of whom 64 belonged to the three democratic parties and 24 to the SED. As of October 26, 1948, however, there remained only 26 principal officials belonging to the three democratic parties, as against 34 who were members of the SED or of procommunist splinter groups.³⁵ (Some of the positions from which non-Communists had been removed had not been filled again.)

The dismissal of democratic officials in the east sector caused successive bursts of indignation in West Berlin. While most of the city's leaders tried to hold to a moderate course and to refrain from taking reprisals which might spur the Soviets to even greater excesses, there was constant pressure for retaliation from sources outside the city government. As early as July 22 the *Tagespiegel* protested editorially that all principal noncommunist postal employees in the Soviet-controlled areas were being fired and replaced by SED members, while no action was being taken against SED members in important postal jobs in the west sectors. At a union meeting in October, the employees of the Wilmersdorf borough administration passed a resolution in which they stated that the Communists,

by approving and supporting the inhuman Russian blockade, were to blame for Berlin's hardships. The borough employees therefore said they would refuse to work with such people and would use all the means of organized labor to bring about their dismissal. The *Tagesspiegel* expressed editorial surprise that the responsible officials of Wilmersdorf and most other west sector boroughs had to be told by their employees to take action that West Berliners had been expecting of them for some time.³⁶ The same report added that the Wedding borough administration had begun to release communist employees in order to make room for noncommunists who had lost jobs in the east sector.

A few days later the borough of Wilmersdorf also began dismissing SED members.³⁷ By October 14 a total of 547 persons had been discharged or "placed on leave status" from western borough offices (as compared to 1013 non-Communists fired in the east sector).³⁸ In December, five SED members in the trash-removal section of West Berlin's government had to be dismissed because the other whitewings refused to work with them.³⁹

In the end, dismissals and counter-dismissals amounted almost to an exchange of population: Of the roughly two thousand non-Communists thrown out of their jobs in the Soviet sector, nearly all were given government employment in West Berlin.⁴⁰ The east sector authorities followed the same policy in reverse,⁴¹ but there were reports that many SED members did not want to accept work in the Soviet sector, since they had become accustomed to the advantages of being paid in west marks.⁴²

Soviet moves against democratic officials were accompanied by efforts to maintain communist domination of organized labor in the east sector. Although the old FDGB leadership had refused to surrender control of the union headquarters after its electoral defeat, independent unionists had been able to secure a majority in the works councils of a number of individual industries and shops in the Soviet sector. The communist labor leaders' campaign against these independents, which was intensified during October and November, met with strong resistance from the noncommunist workers. On November 20, for instance, an effort was made to oust the main works council at the Berlin Electric Company, but despite the threats of communist spokesmen and the appearance of east sector police, the works council refused to resign its authority.⁴³ Nevertheless, democratic labor leaders were fighting a losing battle in the Soviet sector. One by one they were forced out of their jobs, all

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activities of the independent unions were forbidden, and in many cases workers who had opposed the communist union leadership had to move to West Berlin.⁴⁴

While the East Berlin unions remained instruments of communist power, the independent unions in West Berlin in 1948 could point to substantial achievements. They were gradually growing stronger, but were still faced with two principal problems. One was to find and train a cadre of functionaries to replace the predominantly communist personnel that had run the old FDGB. In the borough of Tempelhof, for example, over 60 per cent of the dues collectors had been Communists, all of whom went over to the Soviet sector unions when the split came.⁴⁵

The other problem was to convince the workers that they should formally transfer their membership from the old to the new unions. In August, for instance, the report of the U.S. Military Governor noted that many west sector workers who wished to join the new organizations were hesitant to do so because they were not sure that the independent unions were financially strong enough to cover benefits to their members.⁴⁶ Furthermore, as one independent leader expressed it, many workers first wanted to see what was happening to the "total political situation." Nevertheless, the number of workers formally affiliated with the new unions increased rapidly. In July 1948 the independent leadership was able to collect only 85,000 marks in dues from some 22,000 members. In December the amount collected was 525,000 marks and came from 152,000 members.⁴⁷ By the end of the year, though the independent unions had far from completed their organizational work, and their membership was still substantially smaller than that of the FDGB in West Berlin prior to the blockade, they were rapidly outstripping the communist-led unions.

Another device in the Soviet campaign against democratic influences was to stop the circulation of West Berlin newspapers in the east sector. An early four-power agreement had provided for the free circulation in all parts of the city of newspapers produced in the various sectors. At first this agreement was observed with only minor exceptions. But, as the political tension grew, Soviet Military Government violated it more and more frequently, and by September 1948 there were clear indications that western publications would soon be excluded from the Soviet sector entirely.

Characteristically, restrictive measures were indirect. Toward the middle of September a semiofficial distribution agency was formed

in East Berlin, and Soviet authorities gave it a monopoly on handling newspaper circulation in that area. Most of the West Berlin papers refused to contract with this new agency, but the French-sponsored *Kurier* and the British-sponsored *Welt* were among those that signed. On September 23 most of the west sector papers that had not signed new distribution contracts were confiscated by east sector police, and their business offices in East Berlin were forcibly closed.⁴⁸ On the following day, *Kurier* and *Welt* were also excluded from the Soviet sector, in spite of their arrangements with the East Berlin distribution agency. A representative of the agency stated as the reason that "the workers and employees in Russian sector enterprises had expressed opposition to the Western press."⁴⁹

A particularly important development in the growing division between the cultural institutions of East and West Berlin was the opening of West Berlin's Free University. Even before the blockade, it had become clear that the communist authorities had no intention of allowing freedom of thought at Berlin's old university in the east sector, and a committee to organize a new university in West Berlin had begun its work in June 1948. By fall, the preliminary organizational work had been completed, and lectures at the Free University started on November 15.⁵⁰⁻⁵⁴

Other institutions followed suit. By Christmas of 1948 seven trade and professional schools had moved from East to West Berlin, and by Easter of 1949 the number was fifteen.⁵⁵

Even music was affected by sector boundaries. In October the Berlin Philharmonic was ordered by U.S. Military Government not to play for audiences in East Berlin, or broadcast over the communist-controlled Berlin radio, until the blockade had been lifted. In reporting this order, the *Tagesspiegel* expressed the wish that the leaders of the orchestra had made this decision themselves, instead of leaving it to the occupation authorities. It pointed out that the members of the Philharmonic had already voted 73:1 (with 7 abstaining) to engage in no further cooperation with the communist radio.⁵⁶

Other cultural and special-interest organizations were gradually divided into those that opposed communism, and whose headquarters were in West Berlin, and those that favored it and were centered in East Berlin or East Germany. Thus, the League of the Victims of the Nazi Regime became an almost exclusively communist group, as did the Association for the Advancement of Culture (*Kulturbund*), while new cultural and political associations grew up in

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West Berlin. Individual democrats in the east now had to look to the west sectors for most of their institutional support, while the relatively few communists remaining in West Berlin drew their strength from the Soviet side of the sector boundaries.

Even before the split of the city had become an accomplished fact, some observers recognized that the consolidation of communist power in the east sector had an air of finality about it. The *British Zone Review* of October 15 remarked that ". . . in the Soviet sector a pattern has been created which will not fit, without modification, into the design for a jointly directed city under the terms of previous agreements."

What observers often failed to see was that West Berlin, too, had undergone profound, if less spectacular, changes that precluded any restoration of the earlier pattern. West Berliners, now restive even under the more lenient controls of the Western powers, would never again be satisfied with the limited freedom they had enjoyed under the old four-power rule, or with the inevitable compromises with totalitarianism it entailed. The old formula had worked when people were apathetic and preoccupied chiefly with their private ends. But, since those days, Berliners had tasted some of the fruits of democracy, which they felt they had won by their own efforts. Statesmen and technicians who were conducting international negotiations about Berlin with a view to restoring substantially the situation as it had existed prior to the blockade neglected to take account of the changed mood of the population.

The Development of Western Policy

Western policy during this period moved in the manner of the pilgrim who takes two steps forward and one backward. But, little by little, the stand of the West became more firm.

Already in September and October of 1948, there were leading American officials who believed that the Soviets could be forced to back down without concessions on the part of the West. At a high-level conference in Paris in late September, General Clay stated that the airlift could support Berlin indefinitely and that the European Recovery Program would eventually build up Western Europe to a point where it could exert, rather than absorb, pressure. This power of Western Europe, he felt, was the force that could be counted on to bring the blockade to an end.²⁰⁰ Clay's analysis of the situation was shared by Mayor Reuter and some of Reuter's associates in the Berlin SPD. Ambassador Smith, on the other hand, said at the same conference that Berlin was a liability to be disposed of at the first auspicious moment, even though for the time being it was necessary to defend the Western position in the city.²⁰¹ Only a few days before, Secretary Marshall had expressed the opinion that time was working in favor of the Soviets,²⁰² and James Reston made a similar evaluation in the *New York Times* on September 28. Trygve Lie has noted in his memoirs that Americans in Berlin were more inclined toward a firm stand than was Washington.²⁰³

There is no question that the ever-increasing success of the airlift helped to stiffen Western resolve. On October 1, the *London Times* suggested that time was working in favor of the West, when it reported that stocks in Berlin were now actually more plentiful than before the blockade. Lie notes that, by the end of October, United Nations circles were largely convinced that the success of the airlift had rendered the West less willing to make concessions. As a case in point, he mentions Professor Jessup, who, he thought, had become more hopeful about finding a solution to the blockade problem as a result of a visit to Berlin in the fall of 1948, where he had

seen the airlift in operation.²⁰⁴ General Clay told the National Security Council on October 22 that the airlift was no longer an experiment, and that it could supply Berlin even under adverse weather conditions.²⁰⁵

Nevertheless, some indecision remained. Colonel Howley tells of his indignation at learning, after the split of the city government, that the State Department had not ruled out a compromise solution to the blockade.²⁰⁶ The fact that the Western powers still allowed the east mark to circulate in West Berlin and differentiated the west marks in Berlin from those in West Germany by stamping the former with a "B" also suggested the continued possibility of compromise. Press reports early in December indicated that the west mark would be made sole legal tender on January 1,²⁰⁷ but the day came and went with no change in the currency situation.

In spite of this element of indecision, which was not disposed of until early in 1949, the West was gradually building up the two chief instruments with which it was able to oppose the blockade directly: the airlift and the counterblockade. British and American air forces continued to add aircraft to the lift during September, and to make more efficient use of those already at their disposal. On October 15, the Combined Airlift Task Force was established, under the command of General William H. Tunner, to direct the gigantic operation on a joint Anglo-American basis. A week later, General Clay flew to Washington and, in twenty-four hours, secured authorization from President Truman and the National Security Council for adding sixty-six more C-54 transports to the airlift, thereby increasing its capacity by approximately one-third.²⁰⁸ Construction of the big Tegel airfield and other facilities continued in Berlin, and Tegel was opened for traffic on December 1.

The counterblockade was built up more cautiously. Normal commercial traffic from West Germany to the Soviet zone had been stopped on June 24, but the zonal frontiers had never actually been closed by the West, and substantial quantities of materials were still passing back and forth. Soviet and East German purchasers also were able to obtain some items in West Berlin. On September 22 the London *Times* reported that unspecified "new measures" were being taken to stop this leakage. A few days later, U.S. military authorities in Berlin issued orders to the German police to crack down on smugglers who were removing goods from the American sector. The German police gleefully seized upon this order as a stick with which to beat the Communists, and in a single day

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stopped more than fifty trucks on their way from the Soviet zone to the Soviet sector, confiscating dozens of tons of coal and food.²⁰⁹ The other Western powers did not immediately follow the American example. Even trade between East and West Germany was not brought to a complete halt. On January 5, 1949, the *London Times* reported that British authorities were concerned about smuggling from the British zone to East Germany. A proposal to station 5,000 lightly-armed police at the border had not yet been adopted, and east zone industry was still obtaining substantial quantities of raw materials from the west.

The most important programs of the Western powers in Europe during this period were the Marshall Plan, the establishment of a West German government, and the formation of defensive alliances. Though not specifically directed against the blockade, they probably played a much more important part in bringing it to an end than did the counterblockade. Beginning in September 1948, representatives of the eleven West German states met as a "Parliamentary Council" in Bonn to draft a basic law, or constitution, for West Germany. At the same time, the Western powers were working out the terms of an occupation statute, which was to define the authority of the occupying powers when the West German government came into being. They also concluded an agreement, together with the Benelux nations, on the establishment of an international authority to supervise Ruhr industry.²¹⁰ By the spring of 1949, these preparations for the creation of a West German government were completed. Meanwhile, the effects of the Marshall Plan had become apparent. Along with currency reform and the vigorous enterprise of the Germans, it was transforming West Germany from an economic desert into a thriving and productive society. Some phases of the program in Germany were 20 per cent completed by October, 1948,²¹¹ and economic activity was increasing in other Western European lands as well. By March 1949, nearly five billion dollars had been authorized for the purchase of goods needed in Europe.²¹²

Finally, the democracies were rallying for military defense. Talks that were to lead to the establishment of the North Atlantic Treaty Organization were in progress all during the latter half of 1948, and a common military organization for the defense of Western Europe was announced by Great Britain, France, and the Benelux powers at the end of September. The balance of power in Europe appeared to be shifting in favor of the West.

The Impact of Events on Soviet Diplomatic Behavior

Events went against the Soviets in the fall of 1948. The remarkable achievements of the airlift breathed new confidence into the statesmen of the Western powers. Far from being intimidated by Russian threats of violence and hunger, West Berliners and their leaders were becoming ever more defiant, and their shouts before the Reichstag on September 9 must have been heard within the walls of the Kremlin. In spite of the onrushing winter, the likelihood of either a supply or a morale crisis in Berlin became more and more remote.

At the Berlin conference of military governors early in September, the Soviets tested the resolution of the democracies. But the Western military governors realized then that, if they accepted Marshal Sokolovsky's interpretation of the Moscow Agreement, economic control of the whole city would go to the Soviets, and the democracies would remain in Berlin only on sufferance. The Soviet proposals were therefore rejected out of hand by all the Western military governors.

Simultaneously, the Soviets were subjecting the democratic city government to one last severe test. Communist efforts to intimidate the City Assembly and supplant the Magistrat during the last days of August would, if successful, have placed the German civilian government under the control of Moscow, leaving the Western powers no more than a token voice in the affairs of the city. But the Berlin government emerged from this test more resolute than before.

Having started the blockade with the intention of imposing a difficult choice on the West, the Soviets themselves were now faced with a dilemma: Should they continue to pursue the rapidly fading hopes of securing control over all Berlin? Or should they concentrate on consolidating communist controls in East Berlin with a view to making this area an integral part of East Germany?

As far as can be determined, they chose to take the bird in the hand, but without giving up entirely the hope of capturing the bird in the bush. They speeded up the process of eliminating all opposition to communism in the east sector, thus making it an exclusive Soviet preserve. At the same time, they tightened the blockade on the chance that the Western powers might yet find themselves forced to surrender all or part of their power in the city.

This dual policy was not without its dangers for Moscow. As long as Berlin was a single city with a democratic government, the

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Soviets could not afford to accept any settlement that left them with less than full, or nearly-full, control. They were not willing, therefore, to trade complete domination of East Berlin for a compromise solution in the whole city. They wanted full control in East Berlin, or else a preeminent position in all Berlin. This, presumably, was why Vyshinsky, on October 25, vetoed the first proposal of the neutral members of the Security Council, even though, superficially, it seemed to offer more favorable terms than the Soviets later secured in the final settlement. The proposal would have allowed the east mark to become the exclusive currency in all Berlin, and this in itself would have given a tremendous boost to Soviet prestige throughout Germany. But the plan also would have enabled the Western powers to insist on genuine four-power control of the currency in the whole city, and this the Soviets were not prepared to accept. Moscow's unsuccessful counterproposal, by which the blockade would not be lifted until the currency question had been settled, would have left the way open for Soviet economic domination of the whole city.

Following establishment of the separate east sector "Magistrat," the Soviets were in a slightly stronger negotiating position. Whatever the currency arrangement, it would not be likely to impair their authority in East Berlin, since it would be administered by compliant communist authorities. Adoption of the Soviet zone mark in West Berlin, on the other hand, would be a major blow to the prestige of the democracies. If, therefore, the Soviets seemed eager to secure another proposal from the neutral committee in December and January, after they had swallowed East Berlin, they probably were motivated not only by the desire for a propaganda advantage, but also by the calculation that whatever concessions could be extracted from the West at this date would represent pure gain.

But Washington's repudiation of the Moscow Agreement, in January of 1949 reduced almost to zero the possibility that the Soviets might profit from further currency negotiations. Furthermore, spring was coming, and the greatest days of the airlift lay ahead.