Cabinet minutes on the Soviet response to the currency reform plans in Germany, dated 24 June 1948

[…]

 2. The Cabinet were informed that no progress had been made in the quadripartite discussions on the possibility of introducing a single currency for the whole of Berlin, and that early on the previous day it had been announced that the new currency for the Soviet Zone would be introduced into the whole of Berlin. The Military Governors of the Western Zone had countered this by announcing that the new currency for the Western Zones would be introduced into the western sectors of Berlin. Early that morning the Soviet authorities had stopped all rail traffic between Berlin and the Western Zones and all electricity supplies from the eastern to the western sectors of Berlin. It was not yet clear whether these restrictions were designed as a tactical reply to the action taken by the Western Powers on the currency question or whether they were the first move in a major offensive to force the Western Powers to withdraw from Berlin. Our Military Governor had been asked for a full report on the situation and this was expected by noon.

 The Cabinet recognised that a very serious situation might develop in Berlin; and it was important that the Western Powers should take their stand on a position which they were confident of being able to sustain. *The Minister of State* undertook to arrange that the Foreign Secretary should be fully informed of the situation without delay. As soon as the promised report on the situation was received, he would also consider, in consultation with the Foreign Secretary and the Prime Minister, whether the British Military Governor in Berlin should be recalled to London for consultation with Ministers.

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