Minutes of meeting between British Ambassador Peterson to the Soviet Union and Minister for Foreign Affairs of the USSR, V.M. Molotov, dated 20 October 1948

FROM V.M. MOLOTOV’S DIARY

 CONFIDENTIAL

RECEPTION OF BRITISH AMBASSADOR PETERSON at 15.00[[1]](#footnote-1)

Attended by: interpreters – Lange, the 3rd secretary of the British embassy and O.A.Troyanovsky.

Peterson expressed regret that the situation in the world had not improved while he was away from Moscow.

Molotov said that if there is a desire to improve the situation, it will improve. If there is no such desire, the situation will not improve.

Peterson said that in London he met Attlee and Bevin and can assure Molotov that in Britain everyone is rather concerned about the present state of affairs.

[…]

Peterson asked Molotov as to what the reason was for the failure of negotiations on Berlin[[2]](#footnote-2).

Molotov answered that the reason for the failure of negotiations was that three governments deviated from the decisions agreed on August, 30. If the governments of Great Britain, the United States and France had not deviated from the agreed upon directive to the four commanders-in-chief who should simultaneously implement measures, like the introduction of uniform currency in Berlin, the issue of cancelling transport restrictions could be settled. But they have deviated from this directive, and this has changed the situation and worsened it[[3]](#footnote-3).

Peterson said that as far as he knows, the withdrawal from the agreed decisions really took place in Berlin, but it was not done by the three governments. The matter is that Marshal Sokolovsky offered new conditions of control over the air transport and trade between Berlin and the Western zones.

Molotov said that as far as the ambassador knows, the disagreements which have arisen concerning interpretation of the instruction of 30 August could be resolved if the Council of Foreign Ministers gathered for consideration of these disagreements and measures for their settlement. The Soviet Government has made such a proposal, but it was not accepted by the other three governments.

Peterson declared that the three governments have not accepted the Soviet offer due to the blockade of Berlin, which as Vyshinsky affirmed, does not exist.

Molotov said of the blockade that there is only talk over the blockade. The agreement could have been achieved on the basis of the instruction of 30 August. Apparently, there was no desire to come to an agreement; therefore, negotiations were conducted only up to a certain time. When the General Assembly was opened, it was decided to use the Assembly to pressure the Soviet government.

Peterson said that it is the Soviet government which exercises pressure by limiting transport communications with Berlin.

Molotov remarked that both parties are pressuring: the governments of Great Britain, the USA and France pressure the Soviet government, which, in turn, pressures the governments of the three Western Powers. One party has conducted the currency reform, so the Soviet government had counter-measures. Thus, what is happening is mutual assertiveness. Nevertheless, the parties began to find a way out when they wanted it. The coordinated instruction of 30 August testifies to it. It was probably later decided to use the Assembly to put additional pressure on the Soviet government.

Molotov said that in his opinion these calculations cannot give positive results.

Peterson remarked that there are different methods of putting on pressure. One cannot assert that the introduction of a new currency in the Western zones is equivalent to the restriction of transport communications with Berlin. These are different kinds of pressure.

Molotov answered that different kinds of pressure are, of course, used. The Soviet government, for example, does not interfere at all in the affairs of the Western zones, and the other three governments, being in the centre of the Soviet zone in Berlin, actually wanted to interfere in the affairs of the Soviet zone. This is definitely an infringement of any normal relations.

Peterson asserted that the British do not want to interfere with the affairs of the Soviet zone, but wish only to participate in the management of Berlin.

Molotov specified that the introduction of a separate currency in the three Western sectors of Berlin is an intervention in the life of Berlin and of all the Soviet zone of occupation. The Soviet government cannot be indifferent to it since this violates the rights of the Soviet Union that were established in the agreements and accepted by all Four Powers. The Soviet government directly specified that if there were no currency reforms in the three zones of occupation and in the three sectors of Berlin, there would be no Berlin question at all, since it did not arise before preparation and carrying out of the currency reform in Western Germany. Responsibility for the situation lies with those who took the initiative in violating the former agreements, and not the Soviet Union.

Peterson said that the Western Powers have introduced their currency in Berlin because it was impossible to come to an agreement on introduction of common currency. However, as soon as the Western Powers announced their readiness to accept the Soviet currency, the Soviet government declared that it could not allow foreign powers to control the currency of the Soviet zone.

Molotov said that concerning the Soviet zone the Soviet government definitely cannot let the Western Powers control the currency of the Soviet zone. But regarding Berlin the Soviet government agreed with the conditions which would satisfy all the four governments if the instruction of 30 August was carried out.

Peterson declared that the British government has no intention to control the currency of the Soviet zone. Peterson said that during the negotiations on Berlin there was apparently a misunderstanding.

Molotov specified that the statements made in Berlin, in particular, by the British commander-in-chief, General Robertson, contain the requirements aimed at establishing of control over the currency of the Soviet zone of Germany occupation.

Peterson repeats that there must have been a misunderstanding at the negotiations. He said that, in his opinion, the Berlin question could be settled even now and that it could be achieved by carrying on negotiations in London, Moscow or Paris, but not in Berlin.

Molotov said that the Soviet government also believes that agreement can be achieved.

Peterson, however, declared that, it is difficult to resolve the issue of currency separately. Peterson asked whether the Soviet government is ready to cancel what the three governments refer to as a blockade.

Molotov remarked that an agreement was achieved which provided the basis for the question resolution, namely the instruction of 30 August. The Soviet government still considers it to be a good basis for resolving the issues in the interests of all four governments.

Peterson said that during the discussion of the air transport issue Marshal Sokolovsky put forward new requirements unacceptable to the Western Powers. If this is not so, he would ask Molotov to give a corresponding explanation.

Molotov said that Peterson may familiarize himself with the Soviet government’s note of October, 3 which quotes the statement of the US ambassador, Smith, concerning the settlement of the air transport issue. If the British government stands behind this statement of Smith’s, who represents the United States government, the Soviet government considers it possible to settle the issue. At negotiations in Moscow the British and French representatives have expressed their consent to Smith's statement.

Peterson said that he will report to his government about the reasons stated by Molotov. However, time is running. Peterson expressed his own observations, knowing how much the British government regrets the disputes in the United Nations Organisation.

Molotov said that unlike Peterson he believes that the Berlin question may be settled in Moscow, Paris or Berlin if there’s a desire to do it on the basis acceptable for all the four parties. The question is whether there is such a desire. Peterson assured Molotov that the British government has such a desire. Needless to say, the Soviet government wants the question to be settled.

Peterson remarked that it is urgent.

Molotov said that he does not know what the ambassador means.

Peterson answered that he means the following circumstance: in Paris the Berlin question is given for consideration of the Security Council. The Security Council mechanism is started, and it is not so easy to stop it.

Molotov declared that the Soviet government cannot consider giving the Berlin question to the Security Council normal and acceptable. The Soviet government’s opinion on this issue is obviously well-known to the government of Great Britain. Referring the Berlin question to the Security Council cannot provide any positive results.

Peterson said that he represents only one of the three interested Powers. However, he believes that all the three governments would be ready to generally agree with the introduction of the Soviet mark as a uniform currency for Berlin. As a matter of fact, Peterson added, they have already given their consent on it. Peterson expressed confidence that if Vyshinsky, Peterson and the other representatives gathered in Paris, Moscow or any other place, they could quickly develop the rules regulating circulation of the Soviet zone currency in Berlin.

Molotov asked: “Then what’s the matter?”

Peterson answered that the matter is whether the Soviet government is ready to agree in general for the Western Powers to have the right of access to Berlin.

Molotov answered that apparently from the agreement of 30 August the Soviet government has already agreed with it.

Peterson asked whether the Soviet government shall agree to stop the transport restrictions at the time of negotiations in Berlin participated, for example, by Vyshinsky, Smith, Chataigneau[[4]](#footnote-4) and Peterson.

Molotov answered that the Soviet government believes that activities for the introduction of the Soviet zone currency in Berlin and for the removal of transport restrictions should be performed simultaneously, as is stated in the instruction of 30 August. The Soviet government does not agree to the infringement of this principle. It believes that all the four governments should adhere to it.

Peterson said that the difficulty is that a month ago it appeared impossible to come to an agreement concerning the decision of 30 August.

Molotov said that it depends on the four powers to make the decision viable. If there is a desire to carry out practical activities on the basis of the decision of 30 August, the Soviet government considers it quite acceptable and reasonable.

Peterson declared that if the Soviet government permitted trains and trucks to proceed from the Western zones to Berlin, all the rest could be settled easily.

Molotov answered that the Soviet government insists on the principle of simultaneity in regard to the introduction in Berlin of the Soviet zone currency and removal of transport restrictions. Otherwise, it is impossible to achieve positive results[[5]](#footnote-5).

[….]

Conversation lasted for 50 minutes.

 Recorded by O. Troyanovsky.

[FPARF. f. 069. inv 32. fold. 117. file 5. pp 24-31]

Keywords: post-war Germany, great power relations, United Nations

1. A handwritten inscription in the top centre reads: Not seen by Comrade Molotov. This indicates that the Soviet record compiled by O. Troyanovsky had not been ‘cleaned up’ by the minister. [↑](#footnote-ref-1)
2. Seven meetings of the Allied Commanders of the Four Powers were held between 31 August and 7 September in the building of the Allied Control Council. Meeting in parallel were financial experts and a subcommittee on trade and transport. Despite the intensity of the negotiations, they concluded without results and amid mutual accusations of unwillingness to engage in dialogue. Agreement was reached on none of the issues. For more details, see *The USSR and the German Question, 1941–1949: Documents from the Archives of the Russian Federation* (Die UdSSR und die deutsche Frage, 1941–1949: Dokumente aus den russischen Archiven), 4 vols, Vol. IV: 18 June 1948 – 5 November 1949. (Department of Historical Documents of the Ministry of Foreign Affairs of the Russian Federation, Historical Institute of the Russian Academy of Sciences, Centre for Recent Historical Research in Potsdam: 2012), pp. 637–647. [↑](#footnote-ref-2)
3. The Western representatives, referring to the fact that on the black market one Western Mark buys four Eastern Marks, lobbied originally for that exchange rate although in a directive of 30 August it was fixed at 1 to 1. See *The USSR and the German Question, 1941–1949: Documents from the Archives of the Russian Federation*. (Die UdSSR und die deutsche Frage, 1941–1949: Dokumente aus den russischen Archiven), 4 vols, Vol. IV: 18 June 1948 – 5 November 1949. Department of Historical Documents of the Ministry of Foreign Affairs of the Russian Federation, Historical Institute of the Russian Academy of Sciences, Centre for Recent Historical Research in Potsdam. 2012, pp. 638. [↑](#footnote-ref-3)
4. Chataigneau, Yves (1891 - 1969) - French diplomat. Governor of Algeria (1944 - 1948), Ambassador at the French Embassy in Moscow (1949 - 1954). [↑](#footnote-ref-4)
5. On 20 October 1948 a much-truncated summary of the main elements of this discussion was sent by Molotov to Stalin and the members of the Politburo (Beria, Malenkov, Mikoyan, Kaganovich, Voznesensky, Bulganin and Kosygin). It drew attention, in particular, to the fact that, “Peterson emphasised the significance of air transport, asserting that in Berlin Sokolovsky had introduced new requirements that were not acceptable to the Western powers. However, when I drew Peterson’s attention to Smith’s statement that the Soviet Union could be furnished with sufficient guarantees that air links would not be used for the transporting of contraband, and that such a proposal might be acceptable also to the USSR, Peterson made no response. Peterson stated that if discussions over the Berlin Question were to be restarted, he was convinced that it would be possible quickly to develop rules to regulate the circulation of currency in the Soviet Sector in Berlin. He inquired, however, whether the Soviet Government would agree to lift restrictions on transport for the time during which these discussions would be going on. I responded that the Soviet Government’s position was that measures to introduce currency in the Soviet Sector of Berlin and to lift transport restrictions should be implemented at the same time, as has this already figured in the agreement reached between the Four Powers. Without this it would be impossible to reach any positive results.’ [Foreign Policy Archive of the Russian Federation, No. 069, Inventory No. 32, File 117, Item 5, pp. 15–16.] The text of Molotov’s note to Stalin has been published in the collection, *The USSR and the German Question, 1941–1949: Documents from the Archives of the Russian Federation*. (Die UdSSR und die deutsche Frage, 1941–1949: Dokumente aus den russischen Archiven), 4 vols, Vol. IV: 18 June 1948 – 5 November 1949. Department of Historical Documents of the Ministry of Foreign Affairs of the Russian Federation, Historical Institute of the Russian Academy of Sciences, Centre for Recent Historical Research in Potsdam. 2012, pp. 264–265. [↑](#footnote-ref-5)