

UNITED STATES ARMY  
THE CHIEF OF STAFF

30 June 1948

MEMORANDUM FOR MAJOR GENERAL MADDOCKS:

General Eisenhower states that he expects to be called before certain political groups to give his views on our situation as relates to (Russia) Germany and China. In order that his testimony will be as much in line as possible with our thinking and he will have the value of the latest situation, it is requested that you prepare for him a brief summary of the National Military Establishment's views on the situation in Germany and China. This should include a brief summary of the most recent intelligence situation, our views as to any reinforcement of the German garrison, and anything else which you think would be of value to him. Make the summary very concise and not to exceed two pages. General Eisenhower can expand on the notes you give him.

If possible he would like to have this by the end of the week. If not then, by the first of next week, and he suggests that it be sent to him by courier so that, if possible, he can read it and send it back by the same courier so there will be no chance of violation of security.

DECLASSIFIED

Authority NND 7 70012

Doc 6 #1

3 July 1948

## MEMORANDUM FOR COLONEL R. T. McDONNELL:

1. In response to your informal memorandum of 30 June 1948 (Incl 1), I am attaching two briefs for General Eisenhower's use covering the German and Chinese situations, respectively, and outlining our current national policies in these instances (Incls 2 and 3 herewith).

2. I note that paragraph 2 of your memorandum indicates that this material will be forwarded to General Eisenhower by courier. I assume that necessary arrangements for this will be made by your office.

## 3 Incls

1. Memo for Gen Maddocks, 30 Jun 48, from OCS
2. Nat'l Mil Estbmt Views on Situation in Germany
3. Nat'l Mil Estbmt Views on Situation in China

*sgnd Ray T Maddocks*

RAY T. MADDOCKS  
Major General, GSC  
Deputy Director, Plans & Operations

Profile.

hand carried by Lt Col Muir to Maj Mitchell, SGS, at  
1240, 3 July 48. *Jm.*

NATIONAL MILITARY ESTABLISHMENT VIEWS ON SITUATION IN GERMANY

1. The Governments of France, Great Britain and the United States are being subjected to severe pressure from the USSR to withdraw from Berlin.
2. The U.S. Government position, in which the National Military Establishment concurs, is that we are in Berlin by right of conquest, that we plan to stay in Berlin, that we will continue to inform the world of the illegal and inhuman restrictions being placed principally on the German population of the Western sectors of Berlin, and that we intend to supply by air the necessities of life to the population of Berlin to the maximum of our capacity to do so. The Government of the United Kingdom strongly supports this stand, and the Government of France also supports it, but with less enthusiasm.
3. Should the Western Powers continue to resist Soviet pressure, the USSR can extend its harassing tactics in Berlin by interfering with air traffic, radio and wire communications, and by supporting revolutionary action to seize control of the civilian city administration. One danger of the Berlin situation lies in the possibility of the Soviets overreaching themselves, thus creating a situation from which they cannot extricate themselves without serious loss of face.
4. For some time General Clay has desired the dispatch of a protest to the Soviets at Government level. The Military Establishment agrees that such action is desirable. At present writing agreement is being sought among the Governments of the three Western Allies to the dispatch of a formal note to the USSR demanding an immediate lifting of the "blockade" and calling for early settlement of our differences, possibly by action of the Allied Control Council in Berlin which has recently been inactive. If settlement cannot thus be made, we might wish to take the problem to the United Nations.
5. The imposition of restrictions by the USSR and, in fact, the whole Berlin crisis has arisen as a result of two actions on the part of the Western Powers. These actions are (1) implementation of the decisions agreed in the London Talks on Germany and (2) institution of currency reform in the Western Zones of Germany and the Western sectors of Berlin.
6. The most significant development in Germany since the establishment of four-power control at the close of the war was the acceptance by the Governments of the United States, United Kingdom, France and the Benelux Countries of the recommendations made by their representatives to the Six-Power Talks on Germany conducted in London early this year. The decision to go forward in Germany without the USSR was made at the close of the last unsuccessful Council of Foreign Ministers Meeting last December. The specific agreements recently approved are the specific steps to implement that decision. One important agreement was that of establishing a German Government initially in the Western Zones, thereby giving the German people the privilege and responsibility of again governing themselves, with only certain powers left to the occupying forces. These powers relate principally to the retention of measures necessary to carry out the occupation mission, German foreign policy, export-import trade, and proper surveillance to assure continued demilitarization. It is intended that the Germans call a Constituent Assembly by next September. That this Assembly shall write a Constitution acceptable to the occupying powers and to be ratified by the German people. Finally it is planned that the new Western German Government be established sometime early next year. Another important agreement was the adoption of international control for the allocation of coal, coke and steel from the Ruhr area. Purpose of this control is not only to prevent future German use of the Ruhr resources for aggressive purposes, but also to insure their proper utilization in the rehabilitation of Western Europe as a whole.
7. The currency reform which has recently been instituted in Western Germany has long been under consideration and every effort has been made to secure Soviet participation. Failing this, the Western Powers felt that no

**TOP SECRET**

further delay could be accepted in the view of the serious economic condition prevailing in Germany and in view of the desirability of instituting currency reform prior to the establishment of a new Western German Government. Though only a short time has passed since the institution of currency reform in the areas of the three Western Powers, there is evident among the Germans a feeling of approval of and confidence in the new form of exchange and a clear indication that the black market will disappear.

8. The unfortunate situation existing in Berlin between the Western Allies and the Soviets is but one outward sign of the whole difficult German problem. It is our plan to go forward with the establishment of the German Government and with the establishment of all provisions of the London Agreements. Our objective is to make Germany economically self-sufficient but to prevent development of her war-making potential to the extent that she might not again take up the role of aggressor.

9. Although we do not visualize an early withdrawal of troops from our occupation zone of Germany, it is not intended at this time to increase the garrison in the American Zone of occupation. In fact, it is hoped that this garrison may be reduced at such time as Four-Power agreement can be reached and an overall German Government can become operative and responsible.

DECLASSIFIED

Authority *AND 7 70012*

**TOP SECRET**

**NATIONAL  
SECURITY  
ARCHIVE**

This document is from the holdings of:

The National Security Archive

Suite 701, Gelman Library, The George Washington University

2130 H Street, NW, Washington, D.C., 20037

Phone: 202/994-7000, Fax: 202/994-7005, [nsarchiv@gwu.edu](mailto:nsarchiv@gwu.edu)