

Message from the Soviet Military Administration in Germany (Berlin, June 1948)

Caption: In June 1948, in a message to the people of Berlin, the Soviet Military Administration in Germany condemns the monetary reform undertaken by the Western Allies in their respective zones of occupation.

Source: Soviet news. 28.06.1948, n° 1969. London: Press Department of the Soviet Embassy in London. "Message to the people of Berlin", p. 3-4.

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Message of the people of Berlin of the Soviet Military Administration (June 1948)

The unlawful separate currency reform in the Western zones confronted the population of the Soviet zone and Berlin with the formidable danger of an influx of cancelled currency and of complete disorganisation of economic life. Official statements of the Commanders of the Western zone, to the effect that they did not intend to extend their currency to Berlin, have proved hypocritical. While those very statements were being made, bales of the new currency were being imported into Berlin from The Western zones, in order to be put into circulation in the Western sectors of Berlin. And this has now actually been done.

At the four-Power conference of financial experts held on June 22, called to discuss currency circulation in Berlin, representatives of the occupation authorities of the Western zones took a stand totally disregarding the present situation and the interests of the population of Berlin and the Soviet occupation zone.

The demand to refer currency questions in Berlin to the Kommandatura was advanced in contradiction to the generally known fact that the Allied Commandants in Berlin, as a body of the city administration, have ceased to exist. Their work was deliberately disrupted on June 16 by the American Commandant Howley, during discussion of the Soviet proposals on improvement of conditions of factory and office workers of Berlin industry and transport.

The organisers of currency reform in Western Germany want to stifle the economy of the Soviet zone and Berlin and to utilise the four-Power administration of the city for disorganising currency circulation and disrupting economic development, both in the area of Greater Berlin and the Soviet occupation zone.

By banning circulation of the new currency of the Western zones in Berlin, the Soviet military administration is only safeguarding the interests of the German population of the Soviet occupation zone and of the Greater Berlin area.

The attempt is being made to deprive the Berlin population of the possibility of economic intercourse with the adjacent areas and of purchasing necessities, since the currency of the Western zones cannot and will not be permitted to circulate in the Soviet occupation zone and in the Greater Berlin area.

The American, British and French authorities are little concerned about the fact that the Western sectors of Berlin are thrown into an abyss of economic chaos and disorder. They are also little concerned about the fact that goods produced by Berlin workers of the Western sectors are rotting in the warehouses, that factories are coming to a standstill and that such an adventurist policy may increase the hardships of Berlin workers' families and cause unemployment.

Prompted by self-seeking aims, the men who introduce currency from the Western occupation zones into the Western sectors of Berlin do not hesitate to paralyse economic life in Berlin. But such a policy is doomed to failure.

In their endeavour to safeguard the vital interests of the Berlin population, the Soviet military authorities have unfortunately been obliged to act against the desires of certain leading workers of the municipal bodies, which should have been to the fore in defence of the interests of the Berlin population.

It is a well-known fact that the leaders of the municipal bodies, Luise Schroeder, Kingelhoffer, Friedensburg and Heinzelmann had, before the announcement of the separate currency reform in Western Germany, gone to Frankfurt, where they engaged in negotiations concerning the inclusion of Berlin in the economy of the Western zones and were given instructions as to their conduct in Berlin in connection with the separate currency reform in the Western zones, which was being planned in secret from the Soviet authorities.

A large section of the leaders of Berlin's municipal bodies took the course of upholding the policy of the American, British and French occupation authorities and ignored the vital interests of the Berlin occupation. This being the case, the Soviet military administration could not regard the opinion of these people as an expression of the opinion and interests of the Berlin population.

Responsibility for the economic consequences of the introduction of two currencies into Berlin, and for the burdens which this inevitably involves for the population of the Western sectors of Berlin, rests entirely with the authorities who have adopted this decision and with those leaders of the Berlin administrative bodies who were a party to this.

The currency reform in the Soviet occupation zone and in the Greater Berlin area was a forced measure, launched because of the separate actions of the American, British and French occupation authorities. The Soviet military administration will continue to demand realisation of Germany's unity on democratic principles and the establishment of a democratic German Republic, in which an improvement of currency circulation will constitute a natural process.