

Tripartite statement on the extension of the monetary reform to West Berlin (24 June 1948)

Caption: On 24 June 1948, the United States, France and the United Kingdom announce the extension of the monetary reform and the introduction of the German mark to the Western sectors of Berlin.

Source: United States-Department of State. Documents on Germany 1944-1985. Washington: Department of State, [s.d.]. 1421 p. (Department of State Publication 9446). p. 149-450.

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Tripartite Statement Announcing Extension of the Western “Deutsche Mark” as Currency in the Western Sectors of Berlin, Effective June 24, 1948

By virtue of the attempt by the Soviet military administration to usurp for itself the authority to dominate the economic affairs of Berlin and issue its own currency for the quadripartite city, the western powers find it necessary to introduce the deutsche mark in the three western sectors of Berlin.

At the time of the monetary reform in the three western zones, undertaken to prevent further deterioration of the economy in the western zones, it had been deliberately decided to withhold similar action from Berlin since the city is under quadripartite administration. Furthermore, it was the view of the three western occupying powers that it was the responsibility of the city's supreme quadripartite body, namely the Kommandatura to effect such monetary reform for the total population of the city as a whole.

The three western occupying powers specifically invited the Soviet military administration to discuss on a quadripartite basis the most feasible method of protecting the economy of the people of Berlin. At the meeting on Tuesday 22 June of the finance and economic experts from the four occupying powers of Germany, the western zone representatives offered to consider and work out with the Soviet authorities a reasonable and satisfactory method for the handling of the currency and monetary reform measures for Berlin as a whole. It was and still is the desire of the three western powers to have a uniform currency for the whole of Berlin.

The western proposals were refused by the Soviet military authorities. Instead, the Soviet military authorities insisted that it alone would write the currency law for the city of Berlin. Furthermore, the Soviet administration refused to recognize the prerogatives of the Kommandatura as the supreme law making body of Berlin. Instead the SMA announced this morning laws which would presumably be applicable to greater Berlin — the same laws the SMA has promulgated for the Soviet zone.

The western powers cannot submit to such arbitrary action which is in violation and total disregard of the actual quadripartite status of Berlin and which disregards and violates all agreements respecting the managements of money and banking affairs of the city. The three western occupying powers in Berlin found it necessary, therefore, to issue orders that laws promulgated by the Soviet military administration will not apply to the three western sectors of Berlin. The three western powers, therefore, find themselves forced to introduce into the three western sectors of Berlin the deutsche mark which is now legal tender in the three western zones.

Details of the manner and time of the conversion of existing money and bank account holdings of the population of the U.S., U.K., and French sectors of Berlin will be announced shortly. Meantime, an order calling for the immediate closing of all banks in the three western sectors and declaring a moratorium on all financial obligations pending the announcement of details of the monetary conversion operation, has been published.

In order to minimize undue hardships among the civilian population of the three western sectors of Berlin, the occupying powers have decreed that food and chemists shops will remain open during the period of conversion.