

## THE MOSCOW CONFERENCE. "THE END OF AN ERA"

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“In Germany and Austria we face the crucial test of our ability to create the conditions of peace in Europe and, in fact, in the world”<sup>1</sup>. These were the words of ex-Secretary of State, James F. Byrnes, in July 1947. At that time, the impact of the Moscow Conference made itself fully felt inside the official circles of the Western Powers and generally, in the Western public opinion. The Moscow Conference was rightly considered as “the end of an era”. It was the end of the rooseveltian era or of the rooseveltian dream of futile attempts to cooperate with the Russians.

If this was the case, we should ask ourselves why it took the Allies two years to commence a serious discussion at the highest level on the German problem. The Potsdam Protocol which created the Council of Foreign Ministers gave birth to a paradoxical situation. The document was not only extremely vague in regard to Germany, but it practically denied the possibility of negotiations at levels higher than the Allied Control Council in Berlin. The chosen strategy (an American Initiative), despite what Byrnes thought, proved to be a fundamental error: the Anglo-Americans were going to approach a series of problems (the treaties with Germany’s former allies) where their bargaining position was extremely weak with the exception of Italy<sup>2</sup>. What Byrnes didn’t understand was that he was wasting precious time discussing apparently less controversial issues and simultaneously was altering the international climate trying to solve problems not decisive for the fate of Europe. The European problem was essentially the German

problem. Finding a reasonable answer to the German question could have brought a comparable compromise over Europe as a whole. Dealing with the secondary treaties first meant instead that only a minor step towards general compromise was made, but could also mean creating new barriers, new misunderstandings and generating an unprecedented mistrust between the Allies. Indeed, this was the case. Because of this prolonged delay in discussing the German problem conditions were created for the Soviet and Western Zones to evolve rather divergently. Lack of serious negotiations is even more difficult to understand when we see that during the first phase of the Cold War Germany remained the main key to the future peace<sup>3</sup>.

The two years of negotiations at all levels and concerning every single problem fully demonstrated that the peace settlements in Europe and elsewhere would be the results of tough bargaining and of power-politics and all these at a time of unprecedentedly rise of Russian-Soviet power and influence<sup>4</sup>. Under normal circumstances the Council of Foreign Ministers should have combined the authority and the prestige of the foreign ministers with the expertise of the specialized committees. Instead, the institution have already become something of a propaganda platform, the best example being Molotov’s discourse of 10 July 1946 regarding Soviet German policy<sup>5</sup>.

The Moscow Conference was preceded by a reunion in London of the deputies for Germany and Austria (14 January-25 February) designed primarily at finding the proper formula in order

to involve the lesser Powers in the peace treaty with Germany. It failed and the final report sent to the foreign ministers by their deputies was simply a list of demands posed by those states. It was in fact a failure of the Anglo-Americans to put pressure on the Russians by involving the "international community" outside the borders of Soviet influence<sup>6</sup> in the German peace settlement. The failed attempt overlapped another failure in reviving the German economy and the continuous growth of the Bizonia institutions. In fact, after creating the Bizonia the Anglo-Americans had two choices: to transform it into a completely separate and soon sovereign country or to maintain it simply as a basis for a unified Germany. The British had made their choice: in their opinion, the advantages of economic unification of the Bizonia wouldn't be felt unless there was a political unification also. These were the steps to follow in lack of a compromise with the Russians and because the high risks such a compromise would involve. Still, hesitations persisted because everybody understood that this type of measure meant the division of Germany and Europe, but by the time of the second Paris Conference (June-July 1946) the majority of the British officials were convinced that there would be no compromise with the Russians and that the Russian threat was in fact bigger than the menace posed by a war ravaged Germany<sup>7</sup>. The American officials converted themselves step by step to the "Riga axioms" and the few months between the creation of the Bizonia and the Moscow Conference were crucial for this process.

At the beginning of 1947 the Three Grands have already begun to follow the logic of the zero-sum game: someone's gain represented irreversibly the other's loss. In this case the stakes were high because both sides felt threatened by a possible combination between Germany's technological and human potential and one of the victors. This rising bipolarity imposed a traditional type of solution: the division of Germany into spheres of influence as a direct mean of avoiding direct confrontation.

On the British side, Bevin submitted to the Cabinet an action plan on February 20. Its main objective was to prepare the conditions for a

breakdown of the negotiations with the Russians while preserving the appearance of quadripartite unity and thus putting all the blame for this huge failure on the shoulders of the Soviets. In fact, the basic idea advanced by the Secretary of the Foreign Office was that of revising the very Potsdam Protocol to make sure that an eventual compromise was built on Anglo-American terms<sup>8</sup>. The Bevin Plan was an extremely complex document with long-range objectives. It was *de facto* a new Potsdam, the old document being no longer adequate, but at the same time – Bevin emphasized – the Soviets had to play the scapegoat for the failure of the quadripartite administration. According to Foreign Secretary's words the Soviet tactics were to agree on revising the Level of Industry Plan established in March 1946 asking in return for reparations from current production. That is why for the British delegation at Moscow refusing this demand would become an axiom. Close related to this refusal was another British objective: reducing the occupation cost: "we should obtain Russian agreement to bearing a reasonable share in the burden already borne and to be borne by the Occupying Powers".<sup>9</sup> So not only the Russians would begin to pay for German essential imports, but they would also pay a part of the sums already spent by the Anglo-Americans. It is unquestionable that the Soviets could not have accepted this. In fact, that is exactly what Bevin counted on. On the other hand, his position is quite understandable. The British Zone included around 85% of the pre-war German industrial potential, but it was also the most expensive to administer and the most likely to produce large commercial deficits as long as its industry wasn't functioning at full capacity. In 1946 alone Britain spent 400 million dollars<sup>10</sup>. Even after the creation of the Bizonia she had to support 50% of the new entity's deficits, all this at a time when she was practically bankrupt. More, she still perceived herself to be alone in front of the Soviet danger and unable to rely entirely on the United States. In regard to political matters the British wanted the immediate establishment of central economic agencies to be followed soon by the creation of a German representative institution which could make recommendations

for holding elections for a provisional government functioning on the basis of a temporary Constitution. A trial period would be followed by the drafting of a permanent Constitution.

The preparatory documents of the British delegation had also an ultimative trait. First of July was the time-limit for drawing-up of a common export-import program. It is difficult to believe that what had proved impossible to achieve since Potsdam could be realised in only four months. One can easily see that the British delegation was not prepared for a compromise. They came to Moscow only to block an eventual compromise and to develop the "Western approach"<sup>11</sup>.

Fortunately enough for the British American planning followed essentially the same main lines. "As they [the Americans] approached the Moscow meeting, the overriding factor for US officials was the deteriorating economic situation in Western Europe"<sup>12</sup>. Reconstructing Germany was therefore a matter of emergency. This doesn't mean that an accord with the Russians was completely excluded, but by that time many American officials came to see even possible Russian concessions only as misleading actions having hidden objectives<sup>13</sup>. In February 1947 John D. Hickerson, a leading member of the Division for European Affairs in the Department of State thought that Soviet actions can only prove the aggressive intentions of the USSR. Soviet Russia is explicitly compared to Hitler's Germany, so there could be no "appeasement" because concessions would only lead to more Soviet demands<sup>14</sup>. On January 7 Walter Beddel Smith, the American Ambassador in Moscow, sent to the new Secretary of State, George C. Marshall, his own estimate regarding the Soviet purposes in Germany. According to him, Stalin's objectives in Germany could be fulfilled only through complete domination of the entire Germany. This kind of domination could be achieved by closing entirely the Soviet zone to any outside influence and by creating inside Western Germany conditions as favourable as possible for a future Communist offensive. Marshall was warned that the Russians would use German central agencies primarily to fulfill their

political objectives: blocking any effective attempts for the rehabilitation of the Western Zones and infiltrating Western Germany. The only remaining solution was total separation between spheres of influence<sup>15</sup>. The Ambassador's point of view was largely shared by policymakers in Washington. Truman's inclination until 1946 had been to regard the difficulties in American-Russian relations basically as failures of communication<sup>16</sup>. At Moscow things had to come to a head. There would be a showdown with the Russians (one year and a half after Churchill had wanted one at Potsdam) over the main problem in Europe. The most important thing about American planning before the Conference was that the German problem gained truly continental dimensions. During the preceding months German unification stopped actually being an end in itself. "Recovery in Denmark, Holland, France and Switzerland particularly is impeded and delayed so as long as the cadaver of Germany sends its stench of decay into all these countries"<sup>17</sup>. The main emphasis was placed on the economic recovery of Western Germany understood as an essential stage on the path towards continental rehabilitation. Economic reconstruction of Germany meant free circulation of food, raw materials and industrial products between the four zones (the British even in this case found disadvantages because the Eastern Zone was lacking industrial products which in consequence wouldn't be available for the distressed areas in Western Europe), creation of a common export-import program (which meant, I emphasize, that Russia would assume financial responsibilities). The Americans acknowledged that the latter condition would certainly not be accepted by Stalin<sup>18</sup>. Planning activities took also part outside the State Department. The Council on Foreign Relations led by Allen Dulles concluded in January 1947 that at the coming Moscow Conference "a beginning be made towards measures of reconstruction". Although there was no explicit intention of excluding the Soviets, for practical reasons there could be no more delays. CFR's conclusions ran along the lines of Bevin's: Potsdam had been "hastily-drafted...ill-considered...and unsatisfactory in its practical

application”<sup>19</sup>. The State Department’s position was a little less rigid than that of the Foreign Office: while the British excluded from the start the possibility of reparations from current production, the American planners believed that this option should not be ruled out from the beginning if the Soviets agreed to a substantial increase in the industrial production<sup>20</sup>. At the same time it was recognized that reparations from current production were not included in the Potsdam Protocol, nor forbidden by it. In case of satisfactory Soviet concessions, this was a possibility to think about<sup>21</sup>. The final preparatory document for the American delegation seemed to solve the dilemma: the Secretary of State had to resist any Soviet demands for reparations from current production because the commercial deficit of the Bizonia would increase even more<sup>22</sup>. Differences between Americans and British, with the notable exception of the attitude towards drafting a provisional Constitution in Germany, were generally only apparent. Even in political matters the Anglo-Americans placed themselves between the extreme federalism preached by France which they considered non-compatible with the requirements of a modern state, on one side, and the centralization supported by the Soviets which was thought favourable to a single-party state and extremely dangerous if one keeps in mind the weak democratic traditions in Germany<sup>23</sup>.

Anyway, “the chief impetus towards the division of Germany was the wish for a free hand in combating its economic stagnation”<sup>24</sup>. The American policymakers came to the conclusion that “almost any action would be an improvement” compared to the present lack of decision<sup>25</sup>. In forming this perception a vital role was played by the extensive Hoover reports. The conclusion of the last one, entitled “The necessary steps for promotion of German export so as to relieve American taxpayers of the burdens of relief and for economic recovery in Europe” deserves extensive quoting: “The violation by Russia and France of the agreements for the economic unification and the additional burdens this imposed upon us is in consequence certainly warrant our ignoring all agreements for <<level of industry>>, transfer and destruction of

non-arms plants. If this interregnum is to endure for long, we could build a self-sustaining economic community out of Anglo-American Zones alone. This could only be a temporary expedient, not a final solution. Building a lasting peace in Europe should be our objective”<sup>26</sup>. The reports emphasized also the immense financial contribution of the Anglo-Americans estimated at around 600 million dollars. Developing exclusively the light industries would mean tough commercial rivalries in Western Europe and would affect the little nations while the products of the German heavy industry were badly needed throughout Western countries. The reports preached also eliminating all types of limitations on German heavy industry which was seen as the engine for European recovery.

It was a first open step towards a complete shift in emphasis of the US German policy. The rehabilitation of the Western Zones would become the main task of the American occupational policies and was acknowledged as a sine qua non condition for Europe to solve the question of economic stagnation. Historians have been talking since about a shift from security to reconstruction. In reality, for many reconstruction meant security, although even in the eyes of some contemporaries Hoover reports’ main objective was the reconstruction of Germany and not the security of Europe<sup>27</sup>.

The French delegation found itself at the time of the Moscow Conference in an extremely delicate situation. The rigid stand adopted so far in regard to Germany was becoming less and less tenable and the French diplomats knew it, but strong internal pressures prevented them from reaching a compromise with their Western partners. In a discussion with the American Ambassador in Paris, Caffery, Bidault apprehended that “neither your Government, nor the British, nor the Soviets will approve our memoranda, but no matter; I must defend my country’s interests. I am only too well aware that France is a defeated country and our dream of restoring her power and glory at this juncture seems far from reality. While I can admit that privately to you, I cannot admit either to the French public or to the world at large”<sup>28</sup>. France’s interests were presented to the other members of

the Council in a series of memorandas between January 17 and the first of February. The documents centered around the constitutional formula compatible with the peaceful future of Germany. The key-question was represented by the balance between the central German authorities and *lander* governments. Even though the necessity for a central government for the uniform treatment of the German territories was acknowledged, its powers were vaguely defined, the only clear task being that of coordinating the *länder* which kept for themselves extensive powers in the industrial, financial, commercial, communications fields and even in that of external affairs. However, the main concern for France in Moscow was to obtain a substantial increase of German coal exports, a condition which she posed in order to agree at least to the Byrnes treaty. Quai d'Orsay shared the same scepticism in regard to the outcome of the Conference and considered the issue of reparations from current production to be (France was also opposed to this, but for reasons different of those of the Anglo-Saxons: it was believed that the main result would be a built-up of the German industrial-and therefore military potential, the material advantages being largely exceeded by the threats of a revived Germany) the main cause for the failure of the Moscow Council<sup>29</sup>. France still enjoyed the dream of a third force between the aggressive capitalism of the Anglo-Americans and the totalitarian communism (a dream already abandoned in part by Britain, despite Bevin's own views<sup>30</sup>). The Moscow meeting will have almost traumatizing effects for Bidault because it fully exposed the failure of his (and de Gaulle's) *equilibrium* policy and the increasing isolation of his country unless a fundamental change occurred<sup>31</sup>. The transition of the French diplomacy was to prove more than difficult especially because of the cleavage created between a public opinion (and a powerful Communist propaganda) convinced of the priority of the German menace and the unexpressed opinion of the majority of the policymakers which were becoming increasingly aware of the risks of maintaining the present stand<sup>32</sup> and were more and more conscious of the dangers posed by an eventual Soviet preponderance in Central Europe.

The Moscow Conference which began on the 10<sup>th</sup> of March was to become one of the decisive moments of the crucial year 1947 together with the Truman Doctrine, the Marshall Plan or the Paris Conference of June. Of these four it received the least attention from the historians perhaps because it was overshadowed by the Truman's speech which enjoyed at that time much more publicity as it was designed to overcome internal opposition to an increasing American presence in Europe<sup>33</sup>. Its impact on the diplomatic environment was immense, perhaps bigger and in any case more profound than that of the crisis which led to the formulation of the Truman Doctrine. From this moment on the possibilities of a compromise with the Russians were close to none. Kremlin's intentions were clear for anyone in Washington or in London. W. B. Smith characterized the Conference as a "successful failure" because in spite of all frustrations it had caused, it had brought also a clarification beyond any doubt regarding Soviet attitudes regarding Germany and Austria and drew closer Britain, France and the US<sup>34</sup>. In 1952 Marshall established in an interview a direct relationship between the Moscow reunion and his speech of June 5<sup>35</sup>. Although this can be easily argued with<sup>36</sup>, it is also true that without the consensus created by Truman's speech and by the Moscow Conference the Marshall Plan would have been unconceivable. It matters less that a considerable part of the American delegation has come to Moscow without really believing a compromise possible. And, indeed, disillusionment is not the word to describe the state of mind of the US delegation after the Conference<sup>37</sup>. For many others failure in Moscow was the final confirmation they sought and it fitted the cognitive pattern they began applying to understand Soviet behaviour.

The first days of the Conference, on the contrary, seemed to confirm the expectations of the optimist minority. Bevin was surprised to find out that his demand for the suppression of Prussia received unanimity. Then, the Allied Control Council Report was discussed, but it didn't generate any debates simply because it was a simple list of the four powers' grievances<sup>38</sup>. But from this point on the situation

was to become more and more tense. Discussions about the implementation of the four "d"s brought to the surface the old charges and countercharges of Bevin and Molotov to which everyone was accustomed except Marshall<sup>39</sup>. Despite minor differences<sup>40</sup>, Bevin and Marshall were rapidly forced on essentially the same positions by Molotov's aggressive allegations related to the Bizonia. In fact, that is the pattern that the negotiations followed for a month and a half, especially after March 17, the day when economic matters began to be considered. From the minute of that day's meeting one can easily understand the difficulties which the Westerners encountered in grasping the real tactics behind Molotov's harsh and puzzling rhetoric: Molotov began by criticizing the bizonal arrangements which had brought only chaos in Germany and which favour the penetration of the German economy by the Anglo-American imperialists. Western Powers were also accused that they have been acting in bad faith in regard to reparations while the Soviets did all their "homework". And then, suddenly, to the assistance's entire surprise and confusion Molotov subscribed to the necessity for quadripartite cooperation in restoring the German economy which could furnish essential industrial products and equipments for the devastated countries<sup>41</sup>. When was he sincere? It was a legitimate question, but a question which the British and a big part of the American delegation had already lost interest asking. In fact, Molotov didn't waste any opportunity to throw the anathema on the Bizonia which was interpreted as an obvious infringement on the Potsdam Protocol. At the same time, Bevin and Marshall had to deal with a stubborn Bidault who would not agree to anything unless the Anglo-Americans met his demands on coal particularly. The French initially refused to agree to raise in the industrial level and supported an acceleration of the equipment deliveries from Germany<sup>42</sup>. Their support for economic unification and for the changing the Level-of-Industry Plan depended on the Anglo-Americans satisfying a set of fundamental conditions: economic integration of the Saar Basin with the economy of France, a special regime for the Ruhr (and eventual

separation from Germany) – possibly an international one, satisfying her demands for a fix percentage of the German coal to be exported. The Moscow Conference- as I earlier said- was a last attempt of Bidault to play the Anglo-Americans against the Russians in order to get concessions from both. It was the weakness of his position and Molotov's rigidity which prevented him from doing so. But, in effect, the same weakness is partly responsible for the concessions made by Bevin and Marshall<sup>43</sup> concerning German coal. The situation arrived at caught the French a little by surprise if we take into consideration the estimates of the Commander-in-Chief of the French zone of occupation in Germany, general Koenig: "Under the circumstances, the French delegation will have a relatively easy task. After presenting all the French demands, it will be sufficient to ask our partners to present theirs in detail; the disputes between the Anglo-Saxons and the Soviets will burst out anyway. These tactics will have the advantage of furnishing us with plenty of time. When things will calm down, in Moscow or elsewhere, the French delegation will begin serious negotiations with an intact plan which will give us a good bargaining position". Koenig, as a matter of fact, maintained the same constant short-sightedness even after the Moscow Conference when he wrote Bidault that adhering to the Bizonia would force France to choose between "two blocs fighting for the world supremacy"<sup>44</sup>. Short-sightedness not because he didn't understand the meaning of an eventual Trizonia, but because he didn't see that France had already made her choice.

I have mentioned March 17. Economic matters were put on the table after a few days of "refreshing" Russian charges against the British demilitarization and denazification policy and after futile attempts by Marshall to obtain a complete definition of the human rights concept rejected by Molotov as "theoretical generalities"<sup>45</sup> (Molotov's words revealed the conceptual gap between the two sides which contributed decisively to making the agreement really impossible). Molotov simply didn't understand this preference for "theoretical generalities" such as guaranteeing fundamental civil rights, the rights

of the political parties and of the trade-unions, the freedom of the press or the free-movement between the four zones and for that he could not understand the fact that an agreement on these principles could mean a breakthrough in the negotiations. In Molotov's opinion, for example, freedom of the press should not include freedom for Nazi propaganda. Experience had shown what Nazi propaganda meant in Eastern Europe.

There was no mood for a compromise even if the Americans would have envisaged meeting the Russians half-way. Bevin described it to his Prime-Minister: "It looks to me like we are getting perilously near a position in which a line-up is taking place. There is courtesy, there are no high words being used, no tempers, but all of it is cool and calculated and between the two big boys looks to me to be pretty determined"<sup>46</sup>. On that day Bevin started the delicate discussion on economic matters reaffirming the primacy of achieving economic unity in Germany. Economic unity had to be accompanied, in his opinion, by a substantial increase of the industrial production. It was highly important to preserve the economic potential of the German peace economy as it was to destroy her capacity to wage war, but without unity there could be no effective disarmament and certainly no reparations plan. Molotov couldn't disagree to a statement like this one<sup>47</sup>. But beyond this point there was no agreement. Neither part believed that its concessions would be properly reciprocated. Inside the British delegation there was no doubt: reparations from current production should not start at least until Germany had a balanced economy, although after that date it is hard to believe they would have accepted because they would always find better destinations for German products<sup>48</sup>. The key-question of the Conference proved to be exactly Bevin's obstinate attitude. London's resolution stimulated in fact American rigidity in economic matters and was vital in convincing Marshall to abandon any intermediate solutions. Anyway, the majority of the Americans in Moscow didn't need such a stimulus to acknowledge: "The Molotov economics are of course fantastic... Germany shall be able to pay Russia its reparations, pay reparations in coal to France,

balance its export and import trade so that no occupying power has to bear any cost, increase its standard of living and particularly food level, bear internal and external occupation costs, and all simultaneously"<sup>49</sup>. The dispute over reparations affected every other topics on the agenda and obviously altered the atmosphere<sup>50</sup>. The decision was essentially a political one<sup>51</sup> and the only real problem was the dispute between the State Department and those of the OMGUS in Berlin from which general Clay came defeated<sup>52</sup>. Clay had tried to impose a reconsideration of the Soviet intentions in Germany and believed that paying reparations from current production was in fact the only to avoid losing Eastern Germany and Eastern Europe. All he could demonstrate instead was that he didn't understand the real scale of the developments inside the State Department particularly and inside the Truman administration generally. If Bevin was more than resolute not to give in, Marshall had to deal with the "Frankfurt tyrant", but also with his own doubts. During an informal discussion, Bevin wondered if the Potsdam Agreement specifically forbade reparations from current production, but at the same time he admitted that it didn't matter much, because His Majesty's Government was opposed to it anyway<sup>53</sup>. At the same time, the Americans maintained a dosage of ambiguity. While Marshall seemed adamant in refusing current production reparations, American experts lead by Ben Cohen drew up a project which would grant this type of reparations but only after Germany has balanced itself. What was new was that Germany could begin paying reparations from current production at anytime if the beneficiary accepted to pay 75% of the value of the products it received. Anyway, the same experts believed that the Soviets would not find that scheme satisfactory, but that was how far they could go<sup>54</sup>. Caught between a hard-headed Bevin and a Soviet Union harder to deal with, Marshall made attempts to mediate, but the formulas he found were usually rejected by Bevin<sup>55</sup>.

The harmony between the four Great Powers maintained itself again exclusively at the level of general principles: economic unity was accepted by all delegations, but when it came to

establishing the conditions and the practical measures to implement it, they had different sets of priorities and disagreements came into sight immediately<sup>56</sup>. On April 23, after more than a month discussing economic matters there was no agreement on any of the significant questions: a common import-export plan, sharing of the commercial deficits, financial reform, control of the Ruhr, inter-zonal free movement of goods and persons, economic decentralization and decartelization, allied control over internal allocation of resources in Germany<sup>57</sup>. A possibility of a compromise and a first step towards a deal had appeared during the discussions dedicated to the future political structure of Germany. Molotov had presented a few moderate projects which followed essentially the constitutional pattern of the Weimar Republic and which insisted on diminishing the executive powers of the presidency. The Americans, the British and the Russians, they all agreed on the necessity of establishing rapidly a provisional government (Bevin and Molotov sustained also the necessity for a provisional Constitution to which the Americans disagreed) and Marshall forwarded a three-stage plan: establishing a government including the chiefs of *länder's* governments, drafting a Constitution and finally electing a new government based on that Constitution<sup>58</sup>. It looked like a major breakthrough, but Bevin conditioned political unification with the economic unity: "we cannot act in some matters as if economic unity had been achieved while in other important matters the principle is not applied"<sup>59</sup>. On March 31 Marshall could only admit total lack of progress: "We are now locked in the final discussion regarding economic and political unity and regarding the political organization of Germany. The vital points are the level of industry, with related demands for reparations from current production"<sup>60</sup>. However, the same survey of the negotiations admitted that the problem of reparations could be solved: "acceptance of the four-power treaty would ensure our security to the extent that an increase in the German level of industry for peace-time purposes can be permitted. Such increase would reduce deliveries of capital equipment as reparations

but might allow use of current production of reparations, taking into account that Germany should share with the Allies any resultant increase in its standard of living above the European average<sup>61</sup>. During the few days preceding March 31 the most difficult task for the British delegation was to block a compromise on these lines, although it is now obvious that they overestimated American desire for a compromise. Marshall acknowledged himself during a regular meeting that "we should not seek agreement just for the sake of it". Bevin's option was beyond any doubt: reparations from current production were not possible then and would not be possible in the near future. That is why things did not look very encouraging to him when on March 22 the Secretary of State told him during a private meeting that a compromise could be reached by "operating in Germany of reparations plants for the benefit of the Soviets, they providing the raw material". This solution had the net advantage that it didn't delay the recovery of the German economy. Marshall's dilemma would be resolved by a message from president Truman: "No reparations from current production will be permitted which would diminish the availability of exports, proceeds from which must be utilized in the first instance to pay for essential imports, including the reimbursements of the US and UK for advances already made to Germany"<sup>62</sup>. From this moment there would be no more serious diplomacy. Marshall and Bevin could only agree that "our time would run out before we even reach the Austrian Treaty". Under the circumstances Bevin was able to force an American option for the Western strategy in Germany (including a unilateral determination of a new industrial level in the Bizonia which meant drastically reducing reparation deliveries beneath the quotas established at Potsdam)<sup>63</sup>. It was a success for Bevin's strategy described correctly by general Draper, one of Clay's aids: "According to our information he will seek an opportunity at the Council to propose Four-power agreement on a revised level-of-industry based on a steel production of ten million tons (11,5 million tons capacity to be left in place). The British expect (and so do we) that the Soviet delegation



immediately raise the question whether this provides for reparations from current output in accordance with the Soviet demand. The answer being <<no>>, it is expected that the Soviet Government will not agree. It is also expected that France will not agree because of the steel figure. If this is the outcome, Mr. Bevin plans to indicate that he regards himself as free to take whatever action is appropriate regarding the level-of-industry"<sup>64</sup>.

The only method of avoiding an open rift seemed to be the success of another American initiative: the quadripartite treaty for the demilitarization of Germany. Soviet objections made the Treaty unpractical. Molotov asked that new clauses be added to the American draft of a treaty to keep Germany demilitarized for twenty of forty years. These clauses altered the original intent of the American proposal. In fact, Marshall "pointed out that Molotov's attempts to introduce all the disagreements of the five past weeks into the discussion of the four powers meant in effect no four-power treaty". Molotov's amendments included quadripartite control of the Ruhr, land reform, fulfillment of the German obligations to the Allied states (including reparations). These virtually transformed the Demilitarization Treaty into a *de facto* peace treaty<sup>65</sup>. Extremely important for the American perception of Soviet intentions, besides the refusal of the quadripartite treaty, was the Stalin-Marshall meeting on April 15. Hoping to influence the Soviet behaviour (following the model of Byrnes in Moscow in December 1945), the Secretary of State confessed his great disappointment regarding the Conference. Stalin's answer, in a conciliatory tone, had a reversed effect on the American: "After all, these are the first skirmishes and brushes of reconnaissance forces on this question. Differences has occurred before on other questions, and as a rule after people had exhausted themselves in dispute they then recognize the necessity of compromise. It is possible that no great successes would be achieved at this session, but that should cause anyone to be desperate"<sup>66</sup>. Marshall will later interpret Stalin's interventions as an attempt to delay any positive action in Western Europe and

in Germany in order to get a "compromise through exhaustion". The rehabilitation of Europe could not wait any longer, the centrifugal forces becoming more powerful each day<sup>67</sup>. During the last stage of the Conference, however, Marshall found a different meaning in Stalin's words. He thought that his interview with Stalin would have benefic consequences, at least in regard to the Austrian Treaty: "While a number of disagreements have been passed over the impression I have at the time [April 17] is that the prospects are not so black...I think that we are now seeing some of the results of my interview with Stalin"<sup>68</sup>. Anyway, during the same last days of the Conference Marshall became a lot more favourable to Bevin's projects<sup>69</sup>.

The Moscow Conference more than anything gave substance and motivation to the "Western approach". Despite the opinions of the OMGUS differences between the Anglo-Americans proved to be insignificant. Bevin's proposal got US attention and approval. An increasing sense of emergency dominated all their discussions especially when it became obvious that at the level of military administrations there were divergences. Every major topics regarding the Bizonia (concentration of economic agencies in one city, making these agencies more efficient, creating a German Advisory Council, financial reform) were discussed and agreement reached on most of them, even if, at first, Clay considered the ten-million tons steel figure as "pulled out of the hat". The Conference contributed decisively to the defeat of the advocates for cooperation with Russia even at a high price. Preparing for the London session of the Council Marshall would tell John D. Hickerson: "Now I do not wish to repeat the experience in Moscow; seven weeks and getting nowhere...If there's any hope, I have all the time in the world...but I just want to tell you here and now that I'm going to look to you, in consultation with your British and French opposite numbers, to make reviews from time to time, and if you conclude that there's no hope, then we're going to wind it up"<sup>70</sup>.

Arrived in London, Marshall would very soon convince himself that "we're not going anywhere" and that he had "to wind it up".

1. James F. Byrnes: *Speaking Frankly*, New York, 1947, p.155, 159
2. Walter Lippmann: *The Failure of the Peacemakers*, p.19-22 in Thomas G. Paterson (ed.):*The Origins of the Cold War*, Lenxington, DC Heath & Co., 1970; Nicolas Werth: *Histoire de l'Union Sovietique*, Paris PUF, 1990, p.269
3. *Documents on British policy Overseas. Series I. Eastern Europe. August 1945-April 1946*, London, Her Majesty's Stationery Office, 1991, p.195
4. A. Bullock: *Ernest Bevin. Foreign Secretary 1945-1951*, New York & London, WW Norton & Co, 1983, p.138
5. Vyacheslav Molotov: *Questions de politique exterieure. Declarations et discours. Avril 1945-Juin 148, Moscou, Editions en Langues Etrangeres, 1949, p.64-70*
6. For the proceedings of the Conference of London see \*\*\**Foreign Relations of United States 1947 II. The Council of Foreign Ministers. Germany and Austria*, Washington, United Staes Government Printing Office, p.1-138. Generally, two thesis confronts each other: the Anglo-American one regarding a deeper involvement of the lesser Allies and the Soviet one which tended to curtail this participation.
7. Anne Deighton: *The Impossible Peace: Great Britain, The Division of Germany and the Origins of the Cold War*, Oxford, Clarendon Press, 1990, p.115. For the American position see C Riddleberger's telegram of August 13 1946 [http://www.whistletop.org/study\\_org/marshall/large/folder5.html](http://www.whistletop.org/study_org/marshall/large/folder5.html)
8. For the text of the Bevin Plan see A. Deighton, Annex A, 244-255
9. *Ibidem*, p.244
10. Hugh Thomas: *The Armed Truce: The Beginning of the Cold War, 1945-1946*, New York, Atheneum, 1987, p.341.
11. A. Deighton, p. 123-125, 244-245, 247, 249, 251-253
12. Carolyn Eisenberg: *Drawing the Line. The American Decision to Divide Germany 1944-1949*, Cambridge, Cambridge University Press, 1997, p.278
13. \*\*\*Central Intelligence Group. *Revised Soviet Tactics in International Affairs (January 6 1947)*, p.2, <http://www.seas.gwu.edu/nsarchive/coldwar/documents/episode-2.html>
14. Daniel Yergin: *Shattered Peace. The Origins of the Cold War and the National Security State*, Boston, Houghton Mifflin, 1977, p.271-272
15. \*\*\**Foreign Relations of united States 1947 II. The Council of Foreign Ministers: Germany and Austria*, Washington, United States Government Printing Office, 1972, p.139-141
16. J.L. Gaddis: *The Insecurities of Victory: the United States and the Perception of the Soviet Threat after World War II*, in Michael J. Lacey (ed.): *The Truman Presidency*, Cambridge, Cambridge University Press, 1990, p.252
17. Michael Wala: "Ripping Holes in the Iron Curtain": *The Council on Foreign Relations and Germany, 1945-1950*, p.11 in Jeffrey Diefendorf, Axel Frohn, Hermann-Josef Rupieper (eds.): *American Policy and the Reconstruction of Germany, 1945-1955*, Cambridge, Cambridge University Press, 1996; C.Eisenberg, p. 282
18. *FRUS 1947 II*, p.215-216, 226
19. Michael Wala, p.12, C.Eisenberg, p. 282
20. *FRUS 1947 II*, p. 160-162, 164-166, 199
21. *Ibidem*, p.198. The condition was that reparations from current production should be strictly limited in time and quantity. This made it hard for the Russian to accept.
22. *Ibidem*, p.219
23. *Ibidem*, p.162,165, 182, 199-201, 201-206
24. C. Eisenberg, p.285
25. Michael J. Hogan: *The Marshall Plan. America, Britain and the Reconstruction of Western Europe 1947-1952*, Cambridge, Cambridge University Press, 1995 , p.35
26. See \*\*\**The President's Economic Mission In Germany and Austria. Report No.3- The necessary steps for promotion of German exports so as to relieve American taxpayers of the burdens of relief and for economic recovery of Europe* in [http://www.whistletop.org/study\\_org/marshall/large/folder4.html](http://www.whistletop.org/study_org/marshall/large/folder4.html) Highly significant is the conclusion of the first report \*\*\**The President's Economic Mission In Germany and Austria. Report No.1. German Agriculture and Food Requirements*: "It had come as a gret shock to American taxpayer that, having won the war over Germany, we are now faced for dome years with large expenditures for relief of these peoples...Whatever policies might have avoided this expense, we are now faced with it. And we are faced with it until export industries of Germany can be sufficiently revived to pay for their food."
27. *FRUS 1947 II*, p.394
28. *Ibidem*, p.154-155
29. The texts of the three memorandas can be found in \*\*\**Documents francais relatifs a l'Allemagne (Aout1946-Fevrier 1947)*, Paris, 1947, p.42-64 passim, *FRUS 1947 II*, p.188, 190-194
30. see Sean Greenwood: *The Third Force Policy of Ernest Bevin* in \*\*\**Wartime Plans for Postwar Europe 1940-1947. Contributions to the Symposium in Brussels, May 12-14, 1993*, Bruxelles, Bruylant, 1995, p. 419-436
31. Frederic Bozo: *La politique exterieure de la France depuis 1945*, Paris, Editions La Decouverte, 1997, p.8-9

32. For a discussion on this see Genevieve Maelstaf: *Que faire de l'Allemagne? Les responsables francais, le statut international de l'Allemagne et le probleme de l'unite allemande (1945-1955)*, Paris, Diresction des Archives. Ministere des Affaires Etrangeres, 1999, p.5-109 passim, Pierre Gerbet: *Le relevement. La politique etrangere francais 1945-1949*, Paris, 1987, A Grosser: *Les Occidentaux. Les pays de l'Europe et les Etats-Unis depuis la guerre*, Paris, Fayard, 1978, p.54-95
33. Rober A. Pollard: *The National Security State Reconsidered: Truman and Economic Containment, 1945-1950*, p.214 in Michael J. Lacey (ed.): *The Truman Administration*, Cambridge, Cambridge University Press, 1990
34. Walter Beddel Smith: *Moscow Mission 1946-1949*, London, William Heinemann Ltd., 1950, p.201
35. \*\*\**Interview with George C. Marshall. 30 October 1952* in [http://www.whistlestop.org/study\\_org/marshall/large/folder7.html](http://www.whistlestop.org/study_org/marshall/large/folder7.html) In thi interview the ex-Secretary of State also admits that preparations were well under way at the time of the Moscow Conference for a program to aid Europe.
36. See John Gimbel: *The Origins of the Marshall Plan*, Stanford, Stanford University Press, 1978; Michael J. Hogan, p.26-54 passim
37. C. Eisenberg, p.311-312 See also Daniel Yergin, p.297: "The American delegation was disinterested in finding a common groun with the Russians....A get-tough attitude had become an end in itself". Bohlen about Marshall's mission: "Marshall is going to Moscow knowing in advance that nothing will be decided for the peace of the world...Our experience with them has provedby now that it is impossible to negotiate with them".
38. Peter Cavolcoressi: *Survey of Internatioal Affairs 1947-1948*, p.239, 242-243
39. *FRUS 1947 II*, p.252-254, 256, Lucius D. Clay: *Guerre froide a Berlin*, Paris, Editions Berger-Levrault, 1950, p.145
40. Differences were perceived almost exclusively perceived at the level of the OMGUS
41. *FRUS 1947 II*, p. 256, V. Molotov, p.366-387
42. *FRUS 19547 II*, p.263
43. *FRUS 1947 II*, p. 262-263, 323, 400, 466, 487-488
44. G. Maelstaf, p.49, note 3. G. Maelstaf explains the hardships such an option brought for Bidault in the aftermath of Moscow: "il reste en fait a Paris a faire accepter ce principe a l'opinion, qui ne doit avoir l'impression que, en choisissant l'Occident, Paris abandonne tout de sa politique allemande " (p.52)
45. *FRUS 1947 II*, p.250-251, 252-253
46. D. Yergin, p.297
47. *FRUS 1947 li*, p.258
48. See the chapter dedicated to the Moscow Conference by Anne Deighton, p.131-164
49. D. Yergin: p.288-289
50. See Fourth Meeting of the Council of Foreign Ministers. Report by Secretary of State, April 28, 1947 in \*\*\**Documents on German Problem 1944-1961*, Washington, united States Government Printing Office, 1961
51. *FRUS 1947 II*, p.484
52. Eisenberg, p.251
53. *FRUS 1947 II*, p.275
54. \*\*\* *Delegation of United States, Council of Foreign Ministers, Moscow, March 24, 1947* in <http://www.whistlestop.org/Study...Marshall/large/folder5.html>
55. *FRUS 1947 II*, p.275-276
56. Alan Bullock: *Ernest Bevin. Foreign Secretary 1945-1951*, New York&London, WW Norton&Co, 1983, p.376
57. *FRUS 1947 II*, p.466
58. *FRUS 1947 II*, 271-272, 276-278
59. A. Deighton, p.146
60. *Ibidem*, p.298
61. *ibidem*, p.299. This partly contradicts opinions according to which the four-power treaty would not have been followed by other concessions to the Soviets (C. Eisenberg, p.308)
62. *FRUS 1947 II*, p.302, 309-311; A. Deighton, p.145-146
63. *FRUS 1947 II*, p. 315-317: "He [Bevin] generalized on what might be the best procedure in the event, as now seemed practically certain, that we had to fall back for the time-being on a bi-zonal procedure. He thought we should endeavour to determine a new level of industry and suggested again ten million tons of steel as the basis of departure for the investigation".
64. *FRUS 1947 II*, p.474
65. *ibidem*, p.333, 335
66. *ibidem*, p.334-335
67. \*\*\**Fourth Meeting of the Council of Foreign Ministers. Report by Secretary of State. April 28, 1947* in \*\*\**Documents on German Problem (1944-1961)*, Washington, United States Governement Printing Office, 1961
68. *FRUS 1947 II*, p.351
69. *Ibidem*, 357-358; *Bizonal Trouble. Delegation of United States of America, Council of Foreign Ministers, American Embassy, Moscow, April 18, 1947*, <http://www.whistlestop.org/study...Marshall/large/folders5.html>
70. \*\*\**Oral History Interview with John D. Hickerson* in <http://www.trumanlibrary.org/oralhist/hickerson.html>