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From: SECSTATE

Date: January 29, 1948 7 PM

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Received: Jan 30, 10:06 AM

Action: The Ambassador

Info:

Personal for the Ambassador.

Army Department has telegraphed Clay as follows re first subject mentioned your 227, January 28:

"Idea of rearranging Zonal boundaries Wuerttemberg-Baden was set forth in purely personal memorandum anticipating probable French desires and assessing bargaining position in the event that a high level decision (which appears unlikely) should be taken here to press French to join trizonal fusion. Suggestion was therefore based on merely hypothetical assumption. It has long been recognized that the French particularly wish this reorganization and that ultimately it would be desirable to reconstitute the former states of Wuerttemberg and Baden. State and Army appreciate your reasons against transfer under present circumstances. At all events, it is agreed here that no decision of this kind will be taken without first consulting you and weighing military and strategic considerations."

MARSHALL

ARMY REVIEWED 22 APR 2011 NO OBJECTION TO DECLASSIFICATION

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TELEGRAM SENT

To: SECSTATE

Date: January 28, 1948, 5 pm

No.: 227

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Charged to:

T-1142

PERSONAL FOR SALTZMAN AND HICKERSON. EYES ONLY.

On return trip I discussed with Clay Jake Beam's outline of agenda for London meeting. Clay's reaction was particularly vigorous on Item 5 re Wuerttemberg-Baden. This suggestion was made on theory that French might bring up reconstitution of old states of Wuerttemberg and Baden and that this would be point upon which we could stand in return for French agreement to join in trizonia. It was intimated that we might cede North Baden. I informed Jake Beam before departure I thought this would meet with violent opposition on part of Army.

Clay has telegraphed Draper personally to effect that while it is desirable for Baden to become whole state this can well await peace treaty when Allied supervision of states' governments may be expected to cease and occupational areas can then be re-determined as presumably token forces only would be left. Clay's reasons for opposing any concession now re North Baden are as follows:

1. Heidelberg is to become CINCEUR headquarters and move is under way to free Frankfurt for bizonal activities.

2. Troops in area are billeted in casernes repaired at great expense. No space available elsewhere without new requisitioning. We have stopped new requisitioning and to start again would be serious blow to German morale.

3. It is important that US maintain access area to Rhine in event defense measures become necessary.

4. Heidelberg is cultural city important to our objectives. North Baden would be opposed to transfer as much as Germans desire restoration of Baden as state.

5. North Baden is important industrial area and essential to recovery program. Even is French join trizonal arrangement they cannot be expected to push economic recovery and to get them to do so will require constant effort.

6. French political objectives are different than ours and any action relating to North Baden should await decision on Western German government rather than economic fusion.

7. We are financing Western Germany at great cost. It would be difficult for Congress to understand why we reduce our area of direct influence while we are paying bill. Our loss of prestige in Germany would be great and our part in control of Germany would be reduced. Also resultant reduction in our commitments might be worthwhile but such transfer would neither lessen our financial burden nor the number of troops now needed in Germany. In Clay's opinion price of transfer is far too great to warrant it as inducement to France for entering trizonal arrangement.

I agree with foregoing. I do not repeat not agree this is moment to diminish prestige of US Army in Europe and the concession indicated certainly would not enhance our prestige in German eyes or for that matter in European eyes. It occurs to me however that compromise solution might be possible. Leaving occupational area as it now stands it might be

feasible to organize joint Milgovt administration of states of Wuerttemberg and Baden as separate units. With inauguration of civilian control of Milgovt it might be possible to work out some plan of Franco-American integrated organization in each of states of Baden and Wuerttemberg. I think this should be explored. I know that on the French side many months ago similar idea was entertained.

Agenda outlined by Beam seems to cover principal points for discussion at London. I must admit to certain reservation re suggestions that French be "induced" to join fusion at an early date. I think it should be made abundantly clear that French are exceedingly welcome and invitation to join is open to them. It seems to me there is difference between such a line and one which would create atmosphere of inducement in form of concessions. As Dept is aware in our recent conversations with French at Berlin re Saar and trade with truncated French Zone we made important concessions to French which translated into money involve millions of dollars additional expense to US. French have expressed themselves as pleased and Gen Koenig and Saint Hardouin particularly have shown great enthusiasm for our position. On basis of what I heard last week from several members Senate and House Appropriations Committees, as well as from members House Foreign Affairs Committee, further concessions at our expense would seem unwise as they are unjustified.

MURPHY

RMurphy/vt