SUMMARY OF TELEGRAM

GERMANY We have agreed to a proposal by British Foreign Minister Bevin to maintain a full and complete exchange of information concerning the situation in Germany through our Embassy in London, and we have indicated that for our part we are prepared to continue to maintain our present unprovocative but firm stand in Berlin, utilizing to the utmost the propaganda advantages of our position. Further consideration will be given today to the advisability of sending a three-power note of protest to the Soviet Government.

Ambassador Murphy has pointed out that the presence in Berlin of the Western powers has become a symbol of our resistance to Soviet expansionism. It is an index of our prestige in central and eastern Europe and, so far as the Germans are concerned, US presence in Berlin is a measure of US ability and strength in Europe. Murphy feels that in the end the Soviets will be forced to bargain and that their present tactics are to frighten the German population into believing that they may starve, thus limiting them against the Western occupation powers.

Bevin has also expressed the view that Western withdrawal from Berlin would have serious, if not disastrous, consequences in western Germany and throughout Western Europe, while an official of the French Foreign Office, contrary to an earlier indication, has expressed the view that the "retreat from Berlin" cannot be considered.

FRANCE A high official of the French Government has informed Embassy Paris that the current instructions to the French Communists are to concentrate all attacks on the US in connection with the German situation, the "Marshall Plan" and especially the bilateral US-French agreement on ECA assistance.

AUSTRIA We have informed our representatives in Vienna that we believe there can be no break in the consistent policy of opposing all encroachments by the Soviets on Austrian sovereignty and no indication given that Austria does not enjoy the full support of the Western powers in maintaining its national independence.