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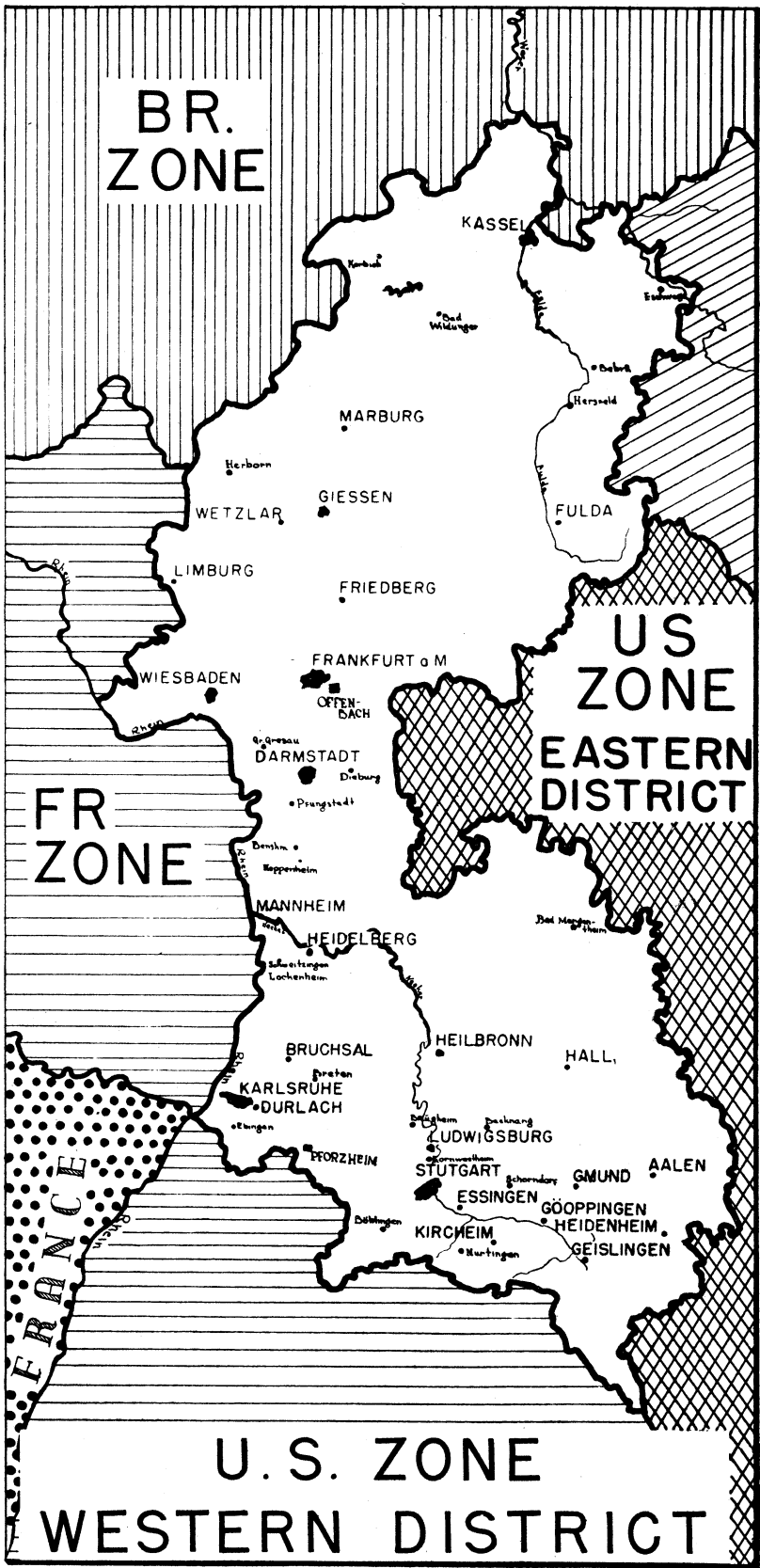
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MILITARY GOVERNMENT  
WEEKLY  
INFORMATION BULLETIN



OFFICE OF THE ASSISTANT CHIEF OF STAFF  
G-5 DIVISION  
USFET

INFORMATION BRANCH



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No. 3 — 11 AUGUST 1945

MILITARY GOVERNMENT

WEEKLY

INFORMATION BULLETIN

OFFICE OF THE  
ASSISTANT CHIEF OF STAFF  
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# Message from General Eisenhower

6 August 1945.

To the German People in the United States Zone:

Almost three months have passed since the final defeat of Germany. During this period we have been engaged in the removal of Nazis from positions of prominence in German life. We have also re-established law and order, and have taken many steps specifically directed to provide a foundation for you now to exert your best efforts to minimize the problems which you will face during the coming winter.

Our denazification program has proceeded sufficiently so that it is timely now to speak to you of our plans for the occupation of the United States zone in Germany, plans which accord fully with the policies agreed upon in the recent conference of Allied leaders in Potsdam.

After two wars in twenty-five years, we intend to prevent Germany from ever again threatening the peace of the world. Nazism and militarism are being rooted out in all their forms. War criminals are being tried and punished as they deserve. Germany is being completely disarmed. In short, the German power to make war will be destroyed.

But our aim is not merely a negative one. We do not desire to degrade the German people. We shall assist you to rebuild your life on a democratic basis.

Your courts and schools are being re-opened as quickly as they can be freed of Nazi influence. Justice and education founded on true liberal principles will be supported vigorously.

Already you are publishing some of your own newspapers, electing shop stewards to represent you, and serving on advisory groups for military government. Now these and similar steps will be carried further.

You will be permitted to form local unions and to engage in local political activities; and meetings for these purposes may be held subject to the approval of local Military Government. An initial aim of trade unions and political parties should be to help in the measures necessary now to prepare for the coming winter.

The full freedom to form trade unions and to engage in democratic political activities will be extended rapidly in those areas in which you show a readiness for the healthy exercise of these privileges. Your own actions will determine the time for removing remaining restrictions.

The coming months will be a time of trial. They will inevitably be hard. All signs point to shortages of food, fuel, housing and transport. These are the consequences of a war of aggression. Yet you have it in your power to reduce these hardships by steady work and by helping each other. There must be no idleness.

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The prospects for the harvest are good. However, to make sure that it is fully gathered the people in the cities and towns must go out to work on the farms.

Coal will not be available for heating houses this winter. In the next few months you must cut and gather enough wood in the forests to take care of your essential needs.

Housing is your third major problem. While the weather still permits, damaged houses must be repaired to provide as much shelter as possible this winter, using salvaged material and lumber cut from the forests to the fullest feasible extent.

All of these are your problems. Their solution depends on your work. German civil authorities have been set up by Military Government in many fields to enable you to help yourselves until

the time comes for you to select your own government. If you do your part, we can help you in other ways. Already I have made military transport available to help prevent losses of crops in the fields.

Members of my command are now permitted normal public contacts with you. In this way we will be able to understand better the problems which face you in the coming months.

Despite all hardships, you need not face the future without hope. You can redeem yourselves, both at home and in the eyes of the world, through your own efforts. It lies in your power ultimately to build a healthy, democratic life in Germany and to rejoin the family of nations. To achieve this, you must show you have forever abandoned militarism and aggression and have adopted a peaceful way of life.

DWIGHT D. EISENHOWER  
GENERAL OF THE ARMY  
Commanding General  
United States Forces European Theater

# Financial Policy in Occupied Germany

FINANCIAL policy in occupied Germany is designed to serve Allied objectives, and the primary objective is to take all measures possible in the field of finance to prevent Germany from ever again becoming a threat to the world.

An important step in the disarmament of Germany is to take away from Germany its financial means of waging war. This has meant, in the first place, seizing the foreign-exchange assets which are located in Germany — that is, taking the precious metals and the foreign currencies which the Nazis could use to finance their underground and the bases they have built up abroad. The most spectacular part of this process was the seizure of the Reichsbank gold of over 200 million dollars in the salt mines at Merkers. But this was only the largest find. Under Military Government Law 53, the Germans were ordered to turn in immediately certain kinds of foreign exchange. At the same time, an intensive search has been made for this type of asset.

From all over the occupied zone, gold, silver and platinum bullion; gold and silver coins; dollars, pounds, francs, zloty, lei, lire and every other kind of foreign currency have been consigned to Finance Headquarters in Frankfurt. Seized with the Reichsbank gold (which had, in large part, been stolen from all over Europe) was a considerable quantity of SS loot which the Reichsbank had arranged to handle for Himmler. Included in this haul from the

concentration and murder camps are boxes of gold and silver teeth and fillings, gold watch-cases and gems and jewelry of all kinds. The private hoards of a number of prominent Nazis, like Ribbentrop, consisting of foreign currencies have likewise been taken. With the crown jewels of several dynasties included, the depository at Frankfurt has now become a veritable treasure chest.

### CRIPPLED NAZI PLANS

This sweeping up of the German foreign-exchange assets within Germany has undoubtedly crippled Nazi plans for sending agents and prominent Nazis to safety abroad. At the same time, complete control has been imposed on all transactions which have to do with the flow of funds across the German frontiers. These two measures — collecting the gold, foreign currencies and other foreign exchange held within Germany, and stopping any further transfers of funds from Germany — are believed to have stopped the Nazis from building up any new bases outside of Germany.

We know, however, that the Germans had already established usable bases of operation abroad before and during the war. After the last war, German agents confessed that German-owned firms in the US had contributed some 20 million dollars to finance propaganda and sabotage activities. We know, likewise, that the Nazi now expect German industrialists to provide the necessary



funds for the Nazi underground. The US Treasury and the Alien Property Custodian took German-owned firms under control and blocked German funds during the war. Most of the other United Nations have taken similar action. But the Under Secretary of the US State Department has testified that it is a matter of common knowledge that Argentina has allowed hundreds of German-controlled firms to operate. At the same time, the neutrals have, until recently, taken no action to control German funds and properties. An important phase of financial activity in Germany has been, therefore, the investigation, from the German records and from interrogation of key German officials, of German assets located outside of Germany.

### **CLOAKED GERMAN INTERESTS**

The investigation so far has uncovered, for example, cloaked German interests in Latin America that were so cleverly concealed that they were able to operate throughout the war without being suspected. Additional evidence has been found showing that certain companies in the US, previously suspected as having a German interest, were in fact controlled by Germany. Only recently, documents were uncovered showing that a German financial agent in the US had made arrangements with the German Government to regain his German citizenship at the very time he was becoming a naturalized American. He explained to the German Government that he was becoming an American citizen solely to further German interests in America.

The German chemical trust, I. G. Farben, made available its extensive network of subsidiaries and connections abroad to pay and place German espionage agents during the course of

the war. For example, the following is a letter dated 24 March 1943, from Dr. George von Schnitzler, in charge of I. G. Farben foreign offices, to Colonel Piekenbrock, then head of an espionage section of the Wehrmacht, on the occasion of Piekenbrock's leaving his position to take a command at the front:

"Dear Colonel,

"I thank you very much for your kind note of 15 March and take the liberty of expressing my best wishes for your front command.

"I and my colleagues working here at Frankfurt on foreign business have always considered it a duty of honor to be always at your disposal for your special tasks. This will of course be the same in the future after your successor, Lt. Col. Hansen, has taken over.

"With cordial regards and Heil Hitler, I remain

Yours very devoted,  
(Signed) v. Schnitzler."

It is clear that the Nazis made arrangements with German industrialists to have funds available abroad to finance the Party when operations in Allied-occupied Germany would become difficult. These foreign funds must be ferreted out if the Allied objective of smashing Nazism is to be achieved. At the same time, the German foreign assets are a sizeable item which can be used to pay a part of the German reparations bill.

### **CONTROL EFFECTIVE**

The US Treasury, in the course of the war, developed in the United States a new and effective technique called blocking or freezing control which is used to remove the threat of dangerous assets and funds inside of a country. The American experience is being applied in Germany to take care of the

second half of the problem — that is, Nazi assets in Germany which could be used there to finance the Nazi Party. All Nazi funds and property in Germany are blocked or frozen under Military Government Law 52. This prevents Nazi funds from being dissipated and keeps them from being used to finance underground movements. Military Government Law 52 also makes possible the seizure of properties, like the gigantic I. G. Farben chemical combine, in the US Zone, which was taken over by the US Army on 5 July.

### IMPORTANT STRUCTURE

The financial network of any country is a particularly powerful and strategic part of its whole economic life. In Germany the financial structure is even more important than it is in other countries because the banks were closely integrated with the large German trusts, and with the trusts played an important role in assisting Hitler to power. De-nazification in finance is, therefore, most important and considerable stress has been laid upon it. To date, in the leading financial cities of the US Zone, such as Frankfurt and Munich, practically every Nazi has been eliminated from the financial system. During the month of August, the final clean-up job in the US Zone is being undertaken, with 1 September set as target date for the substantially complete elimination of Nazi influence from the financial system.

At the same time, it was important to eliminate the Nazi practices which had been introduced into the various fields of finance. German finance officials have been ordered to remove all discrimination in taxation based on differences of creed, nationality, race or politics. Payments based upon Nazi

theories, such as the subsidies encouraging large families, have also been eliminated from the financial structure.

An important facet of financial policy is the use of occupation currency, the Allied Military Mark. By paying troops in this currency, the US Government transfers a part of this portion of the occupation costs on to the Germans. After the last war, when occupation currency was not used, several hundred million dollars were paid out in Germany to US troops. This money merely served to build up Germany's exchange reserves. The US had a claim against Germany for this amount as occupation costs, but we never succeeded in collecting. Profiting by the last experience, the Allies in this occupation have made sure, through the use of the AM Mark, to pass this burden on to Germany. The services, supplies and quarters which are provided for the US Army in Germany are paid for directly by the Germans. Arrangements have been made for the German authorities to pay for the requisitions issued by the Army.

### FINANCIAL INTELLIGENCE

Another phase of finance operations is the Compilation of financial intelligence for the joint use of Military Government and the US Government. The occupation has made it possible to supply the answers to a number of important questions which have concerned the US Government for years. For example, the official Nazi counterfeiting plant which produced counterfeit currency of many of the Allies has finally been located. Together with the plant machinery, we have seized approximately 25 million pounds sterling which was still on hand. Attempts had also been made to counterfeit American

dollar bills, but the results were never really successful.

This plant also produced all kinds of forged Allied credentials, ranging from certificates of American citizenship issued by US consuls to ETO driver's licenses. In this organization the SS had provided itself with a most complete set of rubber stamps and dies, including US Treasury seals, visas for the United Kingdom and the Colombian Consul stamp for Guayaquil, Ecuador. Probably, it was this plant which produced the credentials used by the Nazis who masqueraded in American uniforms during the Ardennes winter offensive.

### EXPLAINS DISAPPEARANCE

The quantity of American gold coins found in Germany likewise explains what happened to a large number of US coins which the US Treasury Department called in but which had never appeared.

In order to meet the primary Allied objectives in Germany, it has been necessary to reconstitute the German financial system to a certain degree. The banks and other financial institutions have been used, for instance, to collect the German foreign-exchange assets and as a mechanism for securing compliance with Allied financial orders and instructions. The main responsibility for the reconstruction of the financial system and for its operation has been placed upon the Germans. Tax offices have been reopened and are busy collecting taxes, which are running at from 30 to 40 per cent of those of last year. In view of the stoppage of most of German industry due to shortages of coal and transport, this percentage is a creditable one. Although only limited banking facilities are available

in most cases, banks are now open and operating throughout the US Zone, and bank deposits are exceeding withdrawals throughout most of the area. This increase in deposits is occurring in spite of the fact that no action has been taken (nor can be taken before the Control Council so decides) on the public debt, which constitutes the bulk of German banking assets.

While other branches of Military Government are responsible for industrial and agricultural production, it is the function of finance to ensure that money is available for these projects.

Under the terms of the US directive, the main responsibility for the maintenance of price, rationing and other direct controls is placed on the Germans. From the US point of view it is clear that the Nazis did not utilize all the financial measures available to hold down the inflationary potential. They made no attempt to siphon off excess purchasing power by war-bond campaigns, as we do in the United States. During the last few years, the German currency in circulation, for example, was allowed to increase by almost ten times, and is now well over 70 million RM. However, the Germans by the use of their price and rationing controls succeeded in insulating the large amount of purchasing power in existence from affecting prices. Military Government has maintained these direct controls.

### DEPOSITS ENCOURAGED

A number of anti-inflationary measures are now in effect. By the prompt reopening of the banks, funds have been encouraged to flow out of circulation and into savings deposits. The reopening of revenue has led to tax collections which relatively are ahead of the activity of the rest of the

economy. Local and Land Governments have been encouraged to balance their budgets. Expenditures have been cut at all levels of Government by removing from the payrolls all Government employees who are not now working. The prompt elimination of the very large war expenditures has been another important factor in decreasing the inflationary potential. The blocking of Nazi funds has taken large amounts of money out of the market.

One little known yet important financial function is the maintenance of the necessary financial records on our occupation. These records are not only necessary for Military Government administration but they also will be used for the ultimate inter-governmental settlements. When the final settlement of the Allied Occupation of Germany is made and the final balance sheet is drawn, these records will give the definitive picture.

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## The Potsdam Conference Statement

Following is the complete text of the "Report on the Tripartite Conference of Berlin" reproduced here for the information and reference of Military Government personnel.

### I.

On July 17, 1945, the President of the United States of America, Harry S. Truman, the Chairman of the Council of People's Commissars of the Union of Soviet Socialist Republics, Generalissimo J. V. Stalin, and the Prime Minister of Great Britain, Winston S. Churchill, together with Mr. Clement R. Attlee, met in the Tripartite Conference of Berlin.

They were accompanied by the Foreign Secretaries of the three Governments, Mr. James F. Byrnes, Mr. V. M. Molotov, and Mr. Anthony Eden, the Chiefs of Staff, and other advisers.

There were nine meetings between July 17 and July 25. The Conference

was then interrupted for two days while the results of the British General Election were being declared.

On July 28 Mr. Attlee returned to the Conference as Prime Minister, accompanied by the new Secretary of State for Foreign Affairs, Mr. Ernest Bevin. Four days of further discussion then took place. During the course of the Conference there were regular meetings of the Heads of the three Governments accompanied by the Foreign Secretaries, and also of the Foreign Secretaries alone. Committees appointed by the Foreign Secretaries for preliminary consideration of questions before the Conference also met daily.

The meetings of the Conference were held at the Cecilienhof, near Potsdam. The Conference ended on August 2, 1945.

Important decisions and agreements were reached. Views were exchanged on a number of other questions and consideration of these matters will be

continued by the Council of Foreign Ministers established by the Conference.

President Truman, Generalissimo Stalin and Prime Minister Attlee leave this Conference, which has strengthened the ties between the three Governments and extended the scope of their collaboration and understanding, with renewed confidence that their Governments and peoples, together with the other United Nations, will insure the creation of a just and enduring peace.

## II.

### ESTABLISHMENT OF A COUNCIL OF FOREIGN MINISTERS

The Conference reached an agreement for the establishment of a Council of Foreign Ministers representing the five principal Powers to continue the necessary preparatory work for the peace settlements and to take up other matters which from time to time may be referred to the Council by agreement of the Governments participating in the Council.

The text of the agreement for the establishment of the Council of Foreign Ministers is as follows:

(1) There shall be established a Council composed of the Foreign Ministers of the United Kingdom, the Union of Soviet Socialist Republics, China, France and the United States.

(2) (i) The Council shall normally meet in London, which shall be the permanent seat of the joint Secretariat which the Council will form. Each of the Foreign Ministers will be accompanied by a high-ranking Deputy, duly authorized to carry on the work of the Council in the absence of his Foreign Minister, and by a small staff of technical advisers.

(ii) The first meeting of the Council shall be held in London not later than September 1, 1945. Meetings may be held by common agreement in other capitals as may be agreed from time to time.

(3) (i) As its immediate important task, the Council shall be authorized to draw up, with a view to their submission to the United Nations, treaties of peace with Italy, Rumania, Bulgaria, Hungary and Finland, and to propose settlements of territorial questions outstanding on the termination of the war in Europe. The Council shall be utilized for the preparation of a peace settlement for Germany to be accepted by the Government of Germany when a Government adequate for the purpose is established.

(ii) For the discharge of each of these tasks the Council will be composed of the members representing those States which were signatory to the terms of surrender imposed upon the enemy State concerned. For the purpose of the peace settlement for Italy, France shall be regarded as a signatory to the terms of surrender for Italy. Other members will be invited to participate when matters directly concerning them are under discussion.

(iii) Other matters may from time to time be referred to the Council by agreement between the member Governments.

(4) (i) Whenever the Council is considering a question of direct interest to a State not represented thereon, such State should be invited to send representatives to participate in the discussion and study of that question.

(ii) The Council may adapt its procedure to the particular problem under consideration. In some cases it may hold

its own preliminary discussions prior to the participation of other interested States. In other cases the Council may convoke a formal conference of the State chiefly interested in seeking a solution of the particular problem."

In accordance with the decision of the Conference the three Governments have each addressed an identical invitation to the Governments of China and France to adopt this text and to join in establishing the Council.

\*

The establishment of the Council of Foreign Ministers for specific purposes named in the text will be without prejudice to the agreement of the Crimea Conference that there should be periodic consultation among the Foreign Secretaries of the United States, the Union of Soviet Socialist Republics and the United Kingdom.

The Conference also considered the position of the European Advisory Commission in the light of the agreement to establish the Council of Foreign Ministers. It was noted with satisfaction that the Commission had ably discharged its principal tasks by the recommendations that it had furnished for the terms of Germany's unconditional surrender, for the zones of occupation in Germany and Austria, and for the inter-Allied control machinery in those countries.

It was felt that further work of a detailed character for the co-ordination of Allied policy for the control of Germany and Austria would in future fall within the competence of the Allied Commission at Vienna. Accordingly it was agreed to recommend that the European Advisory Commission be dissolved.

### III.

#### GERMANY

The Allied Armies are in occupation of the whole of Germany, and the German people have begun to atone for the terrible crimes committed under the leadership of those whom, in the hour of their success, they openly approved and blindly obeyed.

Agreement has been reached at this Conference on the political and economic principles of a co-ordinated Allied policy toward defeated Germany during the period of Allied control.

The purpose of this agreement is to carry out the Crimea declaration on Germany. German militarism and Nazism will be extirpated and the Allies will take in agreement together, now and in the future, the other measures necessary to assure that Germany never again will threaten her neighbors or the peace of the world.

It is not the intention of the Allies to destroy or enslave the German people. It is the intention of the Allies that the German people be given the opportunity to prepare for the eventual reconstruction of their life on a democratic and peaceful basis. If their own efforts are steadily directed to this end, it will be possible for them in due course to take their place among the free and peaceful peoples of the world.

\*

The text of the agreements is as follows:

#### The Political And Economic Principles To Govern The Treatment Of Germany In The Initial Control Period

##### A—Political Principles

1. In accordance with the Agreement on Control Machinery in Germany,

supreme authority in Germany is exercised on instructions from their respective Governments, by the Commander-in-Chief of the armed forces of the United States of America, the United Kingdom, the Union of Soviet Socialist Republics, and the French Republic, each in his own zone of occupation, and also jointly, in matters affecting Germany, as a whole, in their capacity as members of the Control Council.

2. So far as is practicable, there shall be uniformity of treatment of the German population throughout Germany.

3. The purposes of the occupation of Germany by which the Control Council shall be guided are:

(i) The complete disarmament and demilitarization of Germany and the elimination or control of all German industry that could be used for military production. To these ends:

(a) All German land, naval and air forces, the S.S., S.A., S.D., and Gestapo, with all their organizations, staffs and institutions, including the General Staff, the Officers' Corps, Reserve Corps, military schools, war veterans' organizations and all other military and quasi-military organizations, together with all clubs and associations which serve to keep alive the military tradition in Germany, shall be completely and finally abolished in such manner as permanently to prevent the revival or reorganization of Germany militarism and Nazism;

(b) All arms, ammunition and implements of war and all specialized facilities for their production shall be held at the disposal of the Allies or destroyed. The maintenance and production of all aircraft and all arms,

ammunition and implements of war shall be prevented.

(ii) To convince the German people that they have suffered a total military defeat and that they cannot escape responsibility for what they have brought upon themselves, since their own ruthless warfare and the fanatical Nazi resistance have destroyed German economy and made chaos and suffering inevitable.

(iii) To destroy the National Socialist party and its affiliated and supervised organizations, to dissolve all Nazi institutions, to insure that they are not revived in any form, and to prevent all Nazi and militarist activity or propaganda.

(iv) To prepare for the eventual reconstruction of German political life on a democratic basis and for eventual peaceful co-operation in international life by Germany.

4. All Nazi laws which provided the basis of the Hitler regime or established discrimination on grounds of race, creed, or political opinion shall be abolished. No such discriminations, whether legal, administrative or otherwise, shall be tolerated.

5. War criminals and those who have participated in planning or carrying out Nazi enterprises involving or resulting in atrocities or war crimes shall be arrested and brought to judgment. Nazi leaders, influential Nazi supporters and high officials of Nazi organizations and institutions and any other persons dangerous to the occupation or its objectives shall be arrested and interned.

6. All members of the Nazi party who have been more than nominal participants in its activities and all other persons hostile to Allied purposes shall

be removed from public and semi-public office, and from positions of responsibility in important private undertakings. Such persons shall be replaced by persons who, by their political and moral qualities, are deemed capable of assisting in developing genuine democratic institutions in Germany.

7. German education shall be so controlled as completely to eliminate Nazi and militarist doctrines and to make possible the successful development of democratic ideas.

8. The judicial system will be reorganized in accordance with the principles of democracy, of justice under law, and of equal rights for all citizens without distinction of race, nationality or religion.

9. The administration of affairs in Germany should be directed toward the decentralization of the political structure and the development of local responsibility.

To this end:

(i) Local self-government shall be restored throughout Germany on democratic principles and in particular through elective councils as rapidly as is consistent with military security and the purposes of military occupation;

(ii) All democratic political parties with rights of assembly and of public discussion shall be allowed and encouraged throughout Germany;

(iii) Representative and elective principles shall be introduced into regional, provincial and state (land) administration as rapidly as may be justified by the successful application of these principles in local self-government;

(iv) For the time being no central German government shall be established.

Notwithstanding this, however, certain essential central German administrative departments, headed by State Secretaries, shall be established, particularly in the fields of finance, transport, communications, foreign trade and industry. Such departments will act under the direction of the Control Council.

10. Subject to the necessity for maintaining military security, freedom of speech, press and religion shall be permitted, and religious institutions shall be respected. Subject likewise to the maintenance of military security, the formation of free-trade unions shall be permitted.

#### B.—Economic Principles

11. In order to eliminate Germany's war potential, the production of arms, ammunition and implements of war, as well as all types of aircraft and sea-going ships, shall be prohibited and prevented. Production of metals, chemicals, machinery and other items that are directly necessary to a war economy shall be rigidly controlled and restricted to Germany's approved post-war peacetime needs to meet the objectives stated in paragraph 15.

Productive capacity not needed for permitted production shall be removed in accordance with the reparations plan recommended by the Allied Commission on reparations and approved by the Governments concerned, or, if not removed, shall be destroyed.

12. At the earliest practicable date, the German economy shall be decentralized for the purpose of eliminating the present excessive concentration of economic power as exemplified in particular by cartels, syndicates, trusts and other monopolistic arrangements.



13. In organizing the German economy, primary emphasis shall be given to the development of agriculture and peaceful domestic industries.

14. During the period of occupation Germany shall be treated as a single economic unit. To this end common policies shall be established in regard to:

(a) mining and industrial production and allocation;

(b) agriculture, forestry and fishing;

(c) wages, prices and rationing;

(d) import and export programs for Germany as a whole;

(e) currency and banking, central taxation and customs;

(f) reparation and removal of industrial war potential;

(g) transportation and communications.

In applying these policies account shall be taken, where appropriate, of varying local conditions.

15. Allied controls shall be imposed upon the German economy but only to the extent necessary:

(a) to carry out programs of industrial disarmament and demilitarization, of reparations, and of approved exports and imports.

(b) to assure the production and maintenance of goods and services required to meet the needs of the occupying forces and displaced persons in Germany and essential to maintain in Germany average living standards not exceeding the average of the standards of living of European countries. (European countries means all European countries excluding the United Kingdom and the Union of Soviet Socialist Republics.)

(c) To insure in the manner determined by the Control Council the

equitable distribution of essential commodities between the several zones so as to produce a balanced economy throughout Germany and reduce the need for imports.

(d) To control German industry and all economic and financial international transactions, including exports and imports, with the aim of preventing Germany from developing a war potential and of achieving the other objectives named herein.

(e) To control all German public or private scientific bodies, research and experimental institutions, laboratories, etc., connected with economic activities.

16. In the imposition and maintenance of economic controls established by the Control Council, German administrative machinery shall be created and the German authorities shall be required to the fullest extent practicable to proclaim and assume administration of such controls. Thus, it should be brought home to the German people that the responsibility for the administration of such controls and any breakdown in these controls will rest with themselves. Any German controls which may run counter to the objectives of occupation will be prohibited.

17. Measures shall be promptly taken:

(a) to effect essential repair of transport;

(b) to enlarge coal production;

(c) to maximize agricultural output;

(d) to effect emergency repair of housing and essential utilities.

18. Appropriate steps shall be taken by the Control Council to exercise control and the power of disposition over German-owned external assets not

already under the control of the United Nations which have taken part in the war against Germany.

19. Payment of Reparations should leave enough resources to enable the German people to subsist without external assistance. In working out the economic balance of Germany, the necessary means must be provided to pay for imports approved by the Control Council in Germany. The proceeds of exports from current production and stocks shall be available in the first place for payment for such imports.

The above clause will not apply to the equipment and products referred to in paragraph 4 (a) and 4 (b) of the Reparations Agreement.

#### IV.

#### REPARATIONS FROM GERMANY

In accordance with the Crimea decision that Germany be compelled to compensate to the greatest possible extent for the loss and suffering that she has caused to the United Nations and for which the German people cannot escape responsibility, the following agreement on reparations was reached:

1. Reparation claims of the U.S.S.R. shall be met by removals from the zone of Germany occupied by the U.S.S.R. and from appropriate German external assets.

2. The U.S.S.R. undertakes to settle the reparation claims of Poland from its own share of reparations.

3. The reparation claims of the United States, the United Kingdom and other countries entitled to reparations shall be met from the Western Zones and from appropriate German external assets.

4. In addition to the reparations to be taken by the U.S.S.R. from its own zone of occupation, the U.S.S.R. shall receive additionally from the Western Zones:

(a) 15 per cent of such usable and complete industrial capital equipment, in the first place from the metallurgical, chemical and machine manufacturing industries, as is unnecessary for the German peace economy and should be removed from the Western Zones of Germany in exchange for an equivalent value of food, coal, potash, zinc, timber, clay products, petroleum products, and such other commodities as may be agreed upon.

(b) 10 per cent. of such industrial capital equipment as is unnecessary for the German peace economy and should be removed from the Western Zones, to be transferred to the Soviet Government on reparations account without payment or exchange of any kind in return.

Removals of equipment as provided in (a) and (b) above shall be made simultaneously.

5. The amount of equipment to be removed from the Western Zones on account of reparations must be determined within six months from now at the latest.

6. Removals of industrial capital equipment shall begin as soon as possible and shall be completed within two years from the determination specified in paragraph 5. The delivery of products covered by 4 (a) above shall begin as soon as possible and shall be made by the U.S.S.R. in agreed installments within five years of the date hereof.

The determination of the amount and character of the industrial capital equip-

ment unnecessary for the German peace economy and therefore available for reparation shall be made by the Control Council under policies fixed by the Allied Commission on Reparations, with the participation of France, subject to the final approval of the Zone Commander in the Zone from which the equipment is to be removed.

7. Prior to the fixing of the total amount of equipment subject to removal, advance deliveries shall be made in respect of such equipment as will be determined to be eligible for delivery in accordance with the procedure set forth in the last sentence of paragraph 6.

8. The Soviet Government renounces all claims in respect of reparations to shares of German enterprises which are located in the Western Zones of occupation in Germany, as well as to German foreign assets in all countries except those specified in paragraph 9 below.

9. The Governments of the United Kingdom and United States of America renounce their claims in respect of reparations to shares of German enterprises which are located in the Eastern Zone of occupation in Germany, as well as to German foreign assets in Bulgaria, Finland, Hungary, Romania and Eastern Austria.

10. The Soviet Government makes no claims to gold captured by the Allied troops in Germany.

## V.

### DISPOSAL OF THE GERMAN NAVY AND MERCHANT MARINE

The Conference agreed in principle upon arrangements for the use and disposal of the surrendered German

Fleet and merchant ships. It was decided that the three Governments would appoint experts to work out together detailed plans to give effect to the agreed principles. A further joint statement will be published simultaneously by the three Governments in due course.

## VI.

### CITY OF KOENIGSBERG AND THE ADJACENT AREA

The Conference examined a proposal by the Soviet Government that, pending the final determination of territorial questions at the peace settlement, the section of the western frontier of the Union of Soviet Socialist Republics which is adjacent to the Baltic Sea should pass from a point on the eastern shore of the Bay of Danzig to the east, north of Braunsberg-Goldap, to the meeting point of the frontiers of Lithuania, the Polish Republic and East Prussia.

The Conference has agreed in principle to the proposal of the Soviet Government concerning the ultimate transfer to the Soviet Union of the City of Koenigsberg and the area adjacent to it as described above, subject to expert examination of the actual frontier.

The President of the United States and the British Prime Minister have declared that they will support the proposal of the Conference at the forthcoming peace settlement.

## VII.

### WAR CRIMINALS

The three Governments have taken note of the discussions which have been proceeding in recent weeks in London between British, United States, Soviet and French representatives with a view to reaching agreement on the methods of trial of those major war criminals

whose crimes under the Moscow Declaration of October, 1943, have no particular geographical localization.

The three Governments reaffirm their intention to bring these criminals to swift and sure justice. They hope that the negotiations in London will result in speedy agreement being reached for this purpose, and they regard it as a matter of great importance that the trial of these major criminals should begin at the earliest possible date. The first list of defendants will be published before Sept. 1.

### VIII. AUSTRIA

The Conference examined a proposal by the Soviet Government on the extension of the authority of the Austrian Provisional Government to all of Austria.

The three Governments agreed that they were prepared to examine this question after the entry of the British and American forces into the City of Vienna.

### IX. POLAND

The Conference considered questions relating to the Polish Provisional Government and the western boundary of Poland.

A. On the Polish Provisional Government of National Unity they defined their attitude in the following statement:

We have taken note with pleasure of the agreement reached among representative Poles from Poland and abroad which has made possible the formation, in accordance with the decisions reached at the Crimea Conference, of a Polish Provisional Gov-

ernment of National Unity recognized by the three Powers. The establishment by the British and United States governments of diplomatic relations with the Polish Provisional Government has resulted in the withdrawal of their recognition from the former Polish Government in London, which no longer exists.

The British and United States governments have taken measures to protect the interest of the Polish Provisional Government as the recognized government of the Polish state in the property belonging to the Polish state located in their territories and under their control, whatever the form of this property may be.

They have further taken measures to prevent alienation to third parties of such property. All proper facilities will be given to the Polish Provisional Government for the exercise of the ordinary legal remedies for the recovery of any property belonging to the Polish state which may have been wrongfully alienated.

The three powers are anxious to assist the Polish Provisional Government in facilitating the return to Poland as soon as practicable of all Poles abroad who wish to go, including members of the Polish Armed Forces and the Merchant Marine. They expect that those Poles who return home shall be accorded personal and property rights on the same basis as all Polish citizens.

The three powers note that the Polish Provisional Government, in accordance with the decisions of the Crimea conference, has agreed to the holding of free and unfettered elections as soon as possible on the basis of universal suffrage and secret ballot, in which all

democratic and anti-Nazi parties shall have the right to take part and to put forward candidates, and that representatives of the Allied Press shall enjoy full freedom to report to the world upon developments in Poland before and during the elections.

\*

B. The following agreement was reached on the western frontier of Poland:

In conformity with the agreement on Poland reached at the Crimea conference the three Heads of Government have sought the opinion of the Polish Provisional Government of National Unity in regard to the accession of territory in the north and west, which Poland should receive.

The President of the National Council of Poland and members of the Polish Provisional Government of National Unity have been received at the conference and have fully presented their views. The three Heads of Government reaffirm their opinion that the final delimitation of the western frontier of Poland should await the peace settlement.

The three Heads of Government agree that, pending the final determination of Poland's western frontier, the former German territories east of a line running from the Baltic Sea immediately west of Swinemunde, and thence along the Oder River to the confluence of the western Neisse River and along the western Neisse to the Czechoslovak frontier, including that portion of East Prussia not placed under the administration of the Union of Soviet Socialist Republics in accordance with the understanding reached at this conference and including the area of the

former free City of Danzig, shall be under the administration of the Polish state and for such purposes should not be considered as part of the Soviet zone of occupation in Germany.

X.

## CONCLUSION OF PEACE TREATIES AND ADMISSION TO THE UNITED NATIONS ORGANIZATION

The Conference agreed upon the following statement of common policy for establishing as soon as possible the conditions of lasting peace after victory in Europe.

The Three Governments consider it desirable that the present anomalous position of Italy, Bulgaria, Finland, Hungary and Romania should be terminated by the conclusion of Peace Treaties. They trust that the other interested Allied Governments will share these views.

For their part the Three Governments have included the preparation of a Peace Treaty for Italy as the first among the immediate important tasks to be undertaken by the new Council of Foreign Ministers. Italy was the first of the Axis Powers to break with Germany, to whose defeat she has made a material contribution, and has now joined with the Allies in the struggle against Japan.

Italy has freed herself from the Fascist regime and is making good progress towards the re-establishment of a democratic Government and institutions. The conclusion of such a Peace Treaty with a recognized and democratic Italian Government will make it possible for the Three Governments to fulfill their desire to support an application from Italy for membership of the United Nations.

The Three Governments have also charged the Council of Foreign Ministers with the task of preparing Peace Treaties for Bulgaria, Finland, Hungary and Romania.

The conclusion of Peace Treaties with recognized democratic Governments in these States will also enable the Three Governments to support applications from them for membership of the United Nations. The Three Governments agree to examine each separately in the near future, in the light of the conditions then prevailing, the establishment of diplomatic relations with Finland, Romania, Bulgaria and Hungary to the extent possible prior to the conclusion of peace treaties with those countries.

\*

The Three Governments have no doubt, that, in view of the changed conditions resulting from the termination of the war in Europe, representatives of the Allied Press will enjoy full freedom to report to the world upon developments in Romania, Bulgaria, Hungary and Finland.

As regards the admission of other States into the United Nations Organization, Article 44 of the Charter of the United Nations declares that:

"1. Membership in the United Nations is open to all other peace-loving States who accept the obligations contained in the present Charter and, in the judgment of the organization, are able and willing to carry out those obligations.

"2. The admission of any such State to membership in the United Nations will be effective by a decision of the General Assembly upon the recommendation of the Security Council."

The Three Governments, so far as they are concerned, will support applications for membership from those States which have remained neutral during the war and which fulfill the qualifications set out above.

The Three Governments feel bound, however, to make it clear that they, for their part, would not favor any application for membership put forward by the present Spanish Government, which, having been founded with the support of the Axis Powers, does not, in view of its origins, its nature, its record and its close association with the aggressor States, possess the qualifications necessary to justify such membership.

## XI.

### TERRITORIAL TRUSTEESHIP

The Conference examined a proposal by the Soviet Government concerning trustee territories as defined in the decision of the Crimea Conference and in the Charter of the United Nations Organization.

After an exchange of views on this question it was decided that the disposition of any former Italian territories was one to be decided in connection with the preparation of a peace treaty with Italy and that the question of Italian territory would be considered by the September Council of Ministers of Foreign Affairs.

## XII.

### REVISED ALLIED CONTROL COMMISSION PROCEDURE IN ROMANIA, BULGARIA AND HUNGARY

The Three Governments took note that the Soviet representatives on the Allied Control Commissions in Romania, Bulgaria and Hungary have communicated to their United Kingdom and

United States colleagues proposals for improving the work of the Control Commissions, now that hostilities in Europe have ceased.

The Three Governments agreed that the revision of the procedures of the Allied Control Commissions in these countries would now be undertaken, taking into account the interest and responsibilities of the Three Governments which together presented the terms of armistice to the respective countries, and accepting as a basis the agreed proposals.

### XIII.

#### ORDERLY TRANSFERS OF GERMAN POPULATIONS

The Conference reached the following agreement on the removal of Germans from Poland, Czechoslovakia and Hungary.

The Three Governments, having considered the question in all its aspects, recognize that the transfer to Germany of German populations, or elements thereof, remaining in Poland, Czechoslovakia and Hungary, will have to be undertaken. They agree that any transfers that take place should be effected in an orderly and humane manner.

Since the influx of a large number of Germans into Germany would increase the burden already resting on the occupying authorities, they consider that the Allied Control Council in Germany should in the first instance

examine the problem with special regard to the question of the equitable distribution of these Germans among the several zones of occupation.

They are accordingly instructing their respective representatives on the Control Council to report to their Governments as soon as possible the extent to which such persons have already entered Germany from Poland, Czechoslovakia and Hungary, and to submit an estimate of the time and rate at which further transfers could be carried out, having regard to the present situation in Germany.

The Czechoslovak Government, the Polish Provisional Government, and the Control Council in Hungary are at the same time being informed of the above, and are being requested meanwhile to suspend further expulsions pending the examination by the Governments concerned of the report from their representatives on the Control Council.

### XIV.

#### MILITARY TALKS

During the Conference there were meetings between the Chiefs of Staff of the three Governments on military matters of common interest.

APPROVED:

J. V. STALIN.

HARRY S. TRUMAN.

C. R. ATTLEE

BERLIN, Aug. 2, 1945.

# Soviets Reform German Education

A MILITARY Government report, from US Headquarters, Berlin District, is here presented in greater detail than usual, because it affords a glimpse of the school policy advocated by Russian Military Government; the points of view of the German school administrators; the objectives of education in Germany; and the problems of education in Berlin and, to a degree, in all Germany. This material is presented for its information value only.

RUSSIAN declarations of policy have stated emphatically that no attempt would be made to force Russian ideas on to the Germans, and every attempt has been made to exclude Soviet political views from the educational program. One of the Russians first acts on taking control of Berlin was to open as many churches as possible.

The Russians immediately opened Berlin schools of all types and on all levels, with the exception of certain academic high schools. Under the circumstances, teaching could only proceed on a relatively simple level. Berlin schools officially closed in 1943; approximately two thirds of the children have since been evacuated. Conditions of the buildings are roughly as follows: 25 per cent totally destroyed, 50 per cent repairable, 25 per cent undamaged.

The Russians made practically a clean sweep of the Berlin school administration, dismissing 59 out of 60 officials. Karl Sothman, executive head of the Schulamt says, "These 59 were not all rabid and dangerous Nazis, or

even necessarily party members, but it was right and proper that they should be dismissed because they were all typical Prussian civil servants. They would have been an eternal deadweight hampering any progressive ideas." Sothman, who had been administrator of schools in the Rhineland before 1932, left his post for the obscurity of a health-food store when Hitler came to power. Deputy Bürgermeister for Education Karl Schulze worked in the Ruhr, Silesia and finally became Headmaster in Berlin in 1932. He was dismissed by the Nazis in 1933 for being a Social Democrat. He then went into private business selling pens. Both these men speak of the degradation of the schools by the Nazis and advise a rebirth of education.

## ELIMINATE NAZI METHODS

Schulze says, "The Nazi regime placed the entire school system, from institutions for mentally deficient children to the universities, completely at the service of the policies of the fascist party: the preparation for war, racial hatred and the inflammation of jingoistic prejudices. After Hitler's advent to power, disciplinary punishment was inflicted on all progressive liberty-loving teachers; some of these teachers perished in jails and concentration camps; others voluntarily quit the school service in order to escape the mental tortures to which they were subjected by Nazism. The entire body of teaching material became infected by the negative spirit of fascism which advocates the instigation of racial hatred, the provoking of war, the falsification of history and the



misrepresentation of scientific research. To this mental and material decay, must be added the destruction of buildings and teaching materials by five and a half years of war . . . Further neglect of the children must be stopped. It is necessary to fetch them from the streets in order to put them under the educational influence of anti-fascist instructors."

To accomplish this, Schulze feels that the following steps are necessary: All teachers on whom disciplinary punishment has been inflicted must be located and recalled to their profession, if an examination of their further conduct so warrants.

### REGISTER SCHOOLCHILDREN

All active members of the Nazi Party, SS, SA, NSKK, and affiliated organizations must be removed at once. Instructors who have especially marked themselves by supporting nationalist-militarist ideology must also be expelled. However, instructors whose character and conduct attest to their desire to adapt themselves to the new state should be permitted to resume their professions. The personnel who remain after this sifting likewise require investigation with regard to their attitude towards the Hitler system.

All children in the schools must be registered to determine which pupils were active Jungvolk leaders, not to punish them but to enable the authorities to control and supervise them.

Anti-fascists, with no previous teaching background, will be employed as assistant instructors. They will assume minor teaching responsibilities until they have been trained as specialists in particular subjects.

In the first phase, school work will consist of a simple program. The in-

structors, administrative personnel and the older children will be employed mopping up and repairing the school buildings, yards and gardens. They will also confiscate the old school books and remove all fascist pictures and emblems, in order to associate the present destruction with the previous dangerous leadership. Pleasure in this kind of work must be awakened in the children. They will also spend considerable time doing garden work.

Organized games will be encouraged, especially for the younger children. There will be showings of Russian films, as well as unobjectionable instructive films. Reading, writing and arithmetic, taught without the use of school books, will be the basic curriculum. For reading material, the children will be given the works of classical authors and newspapers issued since Hitler's defeat.

Directives are being prepared by the Division of Culture and Education outlining future curricula in history, geography, ethnology and biology. School books will temporarily be issued in the form of work sheets.

Instruction in religion, while not mandatory, may be requested by the parents.

### ULTIMATE AIM SUGGESTED

The ultimate aim seems to be suggested in a remark by Sothman, speaking of the occupation authorities, . . . "Your people all have ideas of freedom and democratic principles firmly implanted in them. We want to implant these same ideas in the German mind. Your people have probably acquired these ideas unconsciously, but we want to know how they acquired them, what it is in your educational system that fosters these habits of mind."

# German Comments on Re-Education

IN THE process of denazifying public life in Germany it would be too much to hope that we will de-Germanize it; so interviewers and consultants should inure themselves to complaints that run true to Teutonic form and tortuous rationalizing. The technique of the non-Nazi is to assume a moral superiority by insisting that the occupying authority does not really need to do what it is doing, or that it should be doing what it is not doing. A few German attitudes toward the educational situation illustrate the point.

### 1. WHO IS DEPRIVING WHOM?

First we behold a prominent administrator complaining as early as mid-June that we hadn't yet opened the schools, while in almost the same breath he admits that teachers should not only be screened but re-educated. If the German children of today are found to cherish aggressive attitudes 10 years hence, it will be this person or his spiritual brother who will say that their distorted perspective is a result of their having been deliberately deprived by Mil Gov of proper schooling during the summer of 1945.

The German motto is, of course, that charity begins and ends at home; so while prodding us in our planned and conscientious restoration of their educational facilities they can hardly be described as sensitive to any moral responsibility for the situation of the thousands of DP children who were

afforded no regular opportunity for schooling during the slave years. In one town, for example, where Mil Gov made a special concession by authorizing the opening of primary classes at a date several weeks earlier than normal, the mayor has been consistently adverse to loaning or otherwise placing at the disposal of DP authorities even the most essential school supplies and facilities. The result is that several hundred DP children with eager and competent native teachers available are handicapped in receiving their first instruction because of lack of even primitive facilities.

### 2. HOW MUCH RE-EDUCATION?

A prominent professor in a Rhineland university comfortingly explained that there is really not much re-education to be done. After all, German teachers, in his opinion (and he ventured to generalize) had maintained a high standard of education and had resisted the spreading of Nazi educational methods in schools. He added that it would be valuable if teachers in Germany in whom we placed confidence could see the books which had influenced us in our ideas of German education under the Nazis and could compare their own experience with them.

### 3. THE GENTLE GERMAN STUDENT

Another university professor held that many of his students had gone into the war not really anxious to win, because they knew their cause was a

bad one. They fought for their country, but under fear of the Nazis. Former students were described as possessing no political attitude in wartime, wanting merely a home, family, wife and employment. The implication, consciously or unconsciously fostered, is that nothing but the removal of the Wehrmacht uniform or the party button is needed to make a large segment of German intellectual youth into peaceful, democratically inclined world citizens. There is no cause to dispute the assertion that a number of German students were anti-war and anti-fascist, but it would ring truer if a professor or two could be found who voluntarily admitted that quite a few of his students were pro-Nazi or tainted by Nazi ideology.

#### 4. POLITICAL SHADING OF PROFESSORS

Faculties were divided into several categories according to their political attitude: (a) those who actively supported the Nazis, were probably appointed by them, and who regarded the university simply as an instrument of Nazi propaganda; (b) those who were active Nazis outside the university, but who, within the university, respected the tradition of its teaching; (c) those who safeguarded themselves by becoming party members; (d) those who were not party members; (e) those who in various ways resisted the Nazi teaching; (f) those who feigned complete indifference to politics. Generally speaking, half of the members of faculties were described as positive Nazis. The view of

certain German educators is that Mil Gov should be relieved of the complicated screening system and that the faculties should be responsible for self-denazification.

### Farmers Like Free Speech

Recently, in a rural town in Nassau local farmers were addressed by the mayor who told them plainly their responsibility for seeing that the city or urban population didn't starve. In the open meeting following the address, the farmers considered the practical methods for securing the highest output of potatoes, grain and milk. In the informal discussion following the main meeting, the group of some 40 small farmers was eager to emphasize the essential hypocrisy of the famous "Reichserbhof" (Hereditary) Law to protect the farmer in the possession of his land. This law, they pointed out, offered no protection to farmers like themselves who owned less than 7½ hectares (18.5 acres) and as a consequence many in this small-farmer class, which made up a large percentage of the agricultural community in Nassau, had been victimized and dispossessed by large land-owners who were "in" with the Nazis. During this discussion, too, the farmers were asked what they considered to be the main advantage of the disappearance of Nazi rule. They answered in chorus: "Freedom, the main thing is Freedom. This type of open meeting, for instance, would have been completely impossible under Nazi rule."

# LESSONS FROM OPERATIONS

## **NAZI STREET NAMES OUT**

MILITARY Government has issued orders to all local authorities in Bavaria to change the names of streets, bridges, public parks, waterways, mountains or villages which had their origin in Nazi times. Special emphasis is placed on the removal of names recalling leaders such as the "blood witnesses" of the Nazi Party. New names may be taken from German history prior to 1933. The names must be approved by Military Government.

## **REVIVING BOOK TRADE**

THE book publishing industry in Kassel has formed a steering committee to assist its members in applying for licenses from United States Information Control authorities and to expedite reestablishment of the city's book and publishing industry. The Kassel Chamber of Commerce, under direction of Dr. Hans Schade, is preparing a code of "literary purification" for the city's book trade.

## **SECURING FARM LABOR**

WITH the release and general exodus of DPs there will be some shortage of farm labor in Bremen. To date crops have not been affected, but at harvest time, unless some of the measures being taken now are successful, the entire potential harvests will not be realized. Plans for securing farm labor include:

1. Use of German PWs,
2. Use of DPs who do not wish to return to their native countries,

3. Use of German refugees who are returning to their homes.

## **AVOIDING WINTER FAMINE**

MIL GOV Officers in the southern Rhine region are pressing rehabilitation of the German canning industry to help alleviate the prospective food shortage next winter. In the Mainz district 17 canneries are now processing foods or will be as soon as they are able to procure fuel and raw materials. It is believed they will produce between 5,000 and 10,000 tons. At present they are working on cherries, currents and gooseberries; plums, apricots and peaches will follow.

## **MAYORS FIX ROAD DISTRIBUTION**

MILITARY Government officials have placed responsibility for the delivery of food in this area on the mayors. In addition to seeing that all requirements are fulfilled, it will be the duty of the civil authorities to warn any slackers in the food distribution program and if necessary punish them.

## **FRANKFURT TYPHUS UNDER CONTROL**

SUCCESS of the campaign to eliminate typhus in Frankfurt is reported by Public Health officers of G-5 (Military Government) USFET. The former SHAEF area, where typhus control was planned long before the Allied armies entered Germany, includes the liberated nations of France, Holland, Belgium, and Denmark as well as the occupied nation. Since the first weekly reports

were made 19 weeks ago, 16,713 typhus cases have been recorded, 1,272 of them in liberated areas. The highest incidence of cases was reached in the week ending June 9 when 5,183 were reported.

### **RECONVERTING BERLIN LABORERS**

A BUILDING workers' training center (Lehrbauhof) under direction of an experienced builder has been opened in the Neukölln district of Berlin to train former metal workers as bricklayers. Similar courses are being prepared to train carpenters, masons and tilers.

### **NAZIS TO CLEAN STREETS**

MILITARY Government officers in Wiesbaden have ordered the city labor office to secure 300 laborers to remove air raid debris and rubble from city streets. All members of the Nazi party and affiliated organizations who have been discharged from city and private positions will be required to serve on clean-up squads. Other unemployed Wiesbaden residents will be selected by lot. Failure to report for the work will result in prison sentences, Military Government officers warned.

### **FISH DISTRIBUTION IN BAVARIA**

IN AN effort to improve the food situation in Bavaria, Military Government has given permission to civil authorities to distribute equally among the civilian population all fish caught in the main Bavarian lakes—Ammer See, Wuerm See and Chiem See.

### **FRIEDBERG CREATES REFUGEE FUND**

TO PROVIDE for the constant stream of refugees returning from concentration camps that pass through Friedberg,

the local bürgermeister has issued an appeal to create a special refugee fund. Donations may be deposited with the city treasury, the district savings bank, or with the commercial bank. Under the bürgermeister's orders a community center has been established where returning refugees may be taken care of.

### **ABSENTEEISM HALTED BY JAILINGS**

WHEN trouble arose in Kassel over the number of workers who were not reporting for work at the direction of the Arbeitsamt, Detachment E1C2 ordered that those refusing to follow directions be sent to jail. It was reported that since this action, the trouble has ceased almost entirely.

### **REGISTRATION OF GESTAPO AND SS**

A NOTICE for the registration of all members of the Gestapo and SS, irrespective of rank, has been prepared for publication by Detachment E1F3, Land Bayern. The former Nazi police will be required to register at the police stations of their respective towns, declaring all property, funds and valuables in their possession, to the PC section of the local MG Detachment.

Two special Fragebogen have been prepared. One covers the time, services, rank, pay, position held, names of immediate superior officers, as well as lists of persons arrested by the Nazi Party for high treason or acts detrimental to the Party. The second covers information of property, funds and valuables possessed by the policeman at the time he joined the Gestapo or SS, and a statement of property held by him as of 30 April 1945.

## As the Press Viewed Potsdam

SOME typical editorial comment in the American press regarding the treatment to be meted out to Germany was as follows:

### **New York Times:**

"The terms are hard and restrictive, designed to change the direction of the German mind and strip the nation of war-making potential. As far as the German people are concerned, however, the terms are not hopeless."

### **Philadelphia Bulletin:**

"These are severe terms, but Germany has asked for them. The Reich has greatly abused power, and its word is worthless."

### **Nashville Tennessean:**

"Germany without claws, with a new spirit and much smaller girth, is contemplated."

### **Cleveland Plain Dealer:**

"In adopting justifiably hard measures, the leaders of the Big Three achieved a greater degree of Allied unity than was discernible after either Teheran or Yalta."

### **Washington Post:**

"We welcome the pledge to elevate local government without at the same time forcing a political break-up in Germany."

### **Chicago Daily News:**

"The Big Tree did not mention Japan, but they said a mouthful about Germany. Germany is going to stay disarmed and poor."

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The British press commented as follows:

### **The Daily Mail:**

"The Potsdam Declaration is one of those documents which mark a definite stage in the history of Western civilization. Potsdam, shrine of Prussian militarism, can mean the end of that system which has terrorized Europe for more than 100 years. The spirit of this declaration is preventive and not punitive. Germany must, of course, pay dearly for the barbarous wrong she has inflicted on the world. The most crucial clause in the document decrees the complete and final abolition of the German fighting organization and everything even remotely connected with it."

### **The London Times:**

"The treatment of Germany is to be just, though severe, and bears out politically and economically the declared intention of the Allies to allow the German people to 'prepare for the eventual reconstruction of their life on a democratic and peaceful basis, and to take their place among the free and peaceful peoples of the world.' Germany is held under a stern and necessary discipline. There is to be firm control, for example, of the judicial and educational systems, and Germany is forbidden to construct not only aircraft but any kind of seagoing vessel. At the same time, nothing in the control system or the system of reparations is incompatible with the unity of the Reich, and a threat to the ultimate unity of Europe is thus avoided. The importance of securing and maintaining singleness of purpose and policy in the Control Commission is more and more apparent."

The Russian press made this comment:

**Izvestia (Moscow):**

"The Conference has strengthened the ties between the three governments and widened the limits of cooperation and understanding. The statement is clear confirmation of the firmness of the Anglo-Soviet-American coalition, and of the vitality of the ideas and principles proclaimed at the Crimea Conference six months ago. The dark forces of reaction, fascism and war have received a noteworthy lesson. The results of the Conference create a new certainty that the Governments and peoples of the three great democratic powers together with the other United Nations will ensure the creation of a just and firm peace."

## **German Industry Speaks Up**

THAT high-power German industrialists plan to recover their powers of management over Ruhr coal production and distribution was the subject of a feature story by Frederick Kuh in the July 18 issue of PM, in which he stated that a certain group of former industrial barons have presented a scheme to Allied Military Government for resumption of control over the great German iron and steel plants. The individuals concerned belong to a powerful group which from the early 20's on began undermining the German Republic and helped to finance the Hitler regime. These same industrialists who ran the great coal and steel plants which enabled the Reich to make war on the world are now formulating new plans to drive a wedge of their old authority back into the German economy. Their scheme, which was presented to and accepted by the British 21st Army Group, recognizes Allied military control over the Ruhr coal

fields — the richest in Europe — as mere window-dressing, with the ultimate aim of re-establishing their own grip on Germany's steel foundaries and even on the German banking system. The document, which Kuh describes as containing "a project of cosmic impudence," was addressed to SHAEF on 11 June, 1945 and signed by two major executives of the Rhenish-Westphalian coal syndicate. Although it acknowledges Allied military control, the plan proposes that "In order to carry out orders of Military Government, a committee of five leading men of the Ruhr mining industry should be formed. In principle, the coal raising, coke production, patent-fuel manufacture, extraction of by-products, as well as distribution of all products concerned, shall be carried out under the responsibility of managers of the mining companies and their selling and other professional bodies, under the supervision of Military Government." Fields in which the Allies should refrain from interfering are brazenly set forth in the following statement: "The financing of the output must, in principle, be left to the proper care of each mining company. In principle, the supply of materials for collieries must be managed under their own responsibility." The program continues with an indication of their intention to use their hold on Ruhr coal production for the purpose of reactivating the whole steel industry of Western Germany, and it stresses "the necessity of re-opening all industries producing materials for the mining industry." The PM article points out that, obviously intent on keeping as much of the Ruhr coal as possible for rehabilitation of German private industry, the authors of this plan "beg the Military Government to consult German management before allocating German coal or coke for export." In other words, they would like the right

of German veto on reparations calling for coal deliveries to the Allies.

In order to expand their grip on the Ruhr coal output, the industrialists continue with the suggestion that the German coal syndicate carry out distribution and transportation "as in the past," and be allowed to resume its full activity "as the organization which proved satisfactory in the past." PM poses the question: "Satisfactory to whom? Hitler?" The German memorandum concludes with the statement that if German industry is to assume all these responsibilities, "it implies, of course, that the mining industry and its affiliates get full power of action, free use of telephone, postal and travel facilities." The answer of the 21st Army Group to this project was to the effect that the Allies will impose only a control, and that German management is to be given responsibility for execution of the entire work. PM closes with this comment: "On what terms it does not state. It apparently is left open for the five German industrialists named on the committee to get their feet in the doorway."

## Does Industrial Disarmament Lag?

ATTENTION of the press continues to be focussed on the progress of industrial disarmament in Germany. Asserting that all German armament factories, whether above or underground, must be destroyed, a New York Times editorial of July 12 stressed two other points: first, that while there is no danger of German rearmament as long as the country remains under occupation, there is no way of keeping a nation permanently disarmed after military rule is ended; second, that the war potential of any nation is always relative to that of her neighbors. "Certainly, Germany's direct war poten-

tial must be destroyed," the Times warned. "The Allies have it in their power to utilize what will then remain of her industrial potential for the purpose of building up Europe, until this potential itself loses its grimmer aspects by the new industrial power developed in other countries on the Continent, for Germany is now completely in Allied hands and Germany's debt to the countries she has ravaged is greater than she can ever repay."

Reports that German factories are actually reconverting to a peace-time basis faster than American industry have caused some uneasiness among American commentators. "While we are still fighting on our second front the Germans are getting the jump on peace-time production, despite the fact that this was forbidden in the White House-State Department order for the governing of Germany after the war," Drew Pearson declared in a radio broadcast on July 30. Discussing German industrial reorganization, a Soviet broadcast in Hungarian by Viktorov, citing the Crimea decisions, warned that every possibility that Germany can again prepare for a new war must be removed, "and such conditions must be created which make impossible a resurrection of German imperialism and German aggression."

## The Future of De-Nazification

STATING that "we have been trying to govern without a policy," the N. Y. Herald Tribune, Paris Edition, of August 3 welcomed General Clay's assurance of a speedy implementation of the Potsdam decisions regarding de-Nazification and other policies, and his statement that a final and definitive directive will be issued to all Military Governors immediately after the conference is over. In the opinion of the



Tribune, this will be good news to the American soldiers and officers in Military Government detachments, who up to now have been endeavoring to govern a conquered people without any instructions on how to meet the complicated industrial, economic and social problems with which they are daily being confronted. The long-awaited instructions will advise military governors exactly what to do with German industry, and how far they can go in the de-Nazification and de-militarization of Germany.

The same issue of the Herald-Tribune containing the comments of Secretary of War Stimson under the heading "Nazi Purge Going Well," quoted Mr. Stimson as saying, on the subject of de-Nazification: "For the present, at least the Nazi Party in our zone seems to have vanished. Direct military administration is being gradually superseded by German administration, purged of Nazi membership and influences. This evolution has already made substantial progress, and is working well."

## Importance of Education Stressed

PRESS comment has placed much emphasis on the importance of the educational program of Military Government in Germany. The St. Louis Globe-Democrat, in an editorial, "De-Nazified Schools," welcomes the plans for new textbooks, pointing out that textbooks as well as teachers must change "if the children of post-Hitler Germany are to be freed from the curse of Nazi indoctrination." The editorial warns further that it is imperative that "every trace of the hideous disease of Hitlerism be eradicated from the schools for the coming generation." In similar vein, the New York Herald Tribune, in commenting on July 29 on the formation of a committee of German scholars

to reform German higher education, hailed the committee's action as encouraging, in view of the role of scholarship as the most international of all ties. "The best hope of arresting the infection from a diseased Germany lies in the education of young Germans to useful living in a peaceful world," it declared. John M. Mecklin, Chicago Sun correspondent, drew attention to the differences between Russian and Anglo-American policies with respect to the opening of universities. Pointing out that the Russians are known to be anxious to have the colleges reopened as quickly as possible, while the authorities in the US Zone have indicated that they do not expect to reopen the universities for at least a year, he declared that the educational problems "add still another to the growing list of problems faced by the American Military Government as a result of the difference between Russian and Anglo-American policies in Germany."

## General

MILITARY Government has come under criticism from the New Republic for its alleged failure to encourage the growth of autonomous forces which might eventually take over the government of the country. In an editorial in the July 16 issue, the New Republic asserted that the occupation must continue as long as this policy was followed. "Apparently on the basis of the theory that Germans are inherently incapable of democratic self-government, we are inhibiting forces which otherwise might work in that direction," it said. "The world cannot safeguard its future peace without preparing to condition the Germans for a participation in its activities commensurate with their needs and abilities. It is in this direction that the only long-term hope lies!"

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## QUERIES

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EACH week, under this column heading, typical problems received through channels by Hq USFET Branches, will be considered by specialist officers. Official reply will be transmitted through channels and summaries thereof will appear in this section.

### Fire Equipment

Q. FROM what sources will additional fire-protection equipment be made available?

A. The extent of future production within Germany of fire-protection equipment is uncertain. Also, the amount of fire-protection equipment which will be available from disbanded German military units for distribution to German civilian fire services has not yet been determined. At present, the only source of additional equipment is that which can be brought from another German fire department which has excess over its present needs. The best policy is to insure that equipment now on hand is maintained in the best condition, and that a thorough search is made for all fire equipment in the area which may be repaired or is of salvage value.

### Bomb Disposal Squads

Q. WILL U. S. military bomb-disposal squads be made available for disposal

of unexploded bombs and mines in civilian areas.

A. No. ETOUSA Operational Memorandum 17, "Bomb and Shell Disposal," places responsibility for bomb and shell disposal, where military installations are not affected, on Military Government, and further states that indigenous services will be used in the discharge of this responsibility. This means that trained bomb-disposal squads, consisting of German personnel, must be made available for disposal of the unexploded bombs and shells which may be encountered in the removal and clearance of debris in German towns and villages.

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### Legal

Q. WHAT German agency, or agent, is at the present time charged with the supervision of German remand jails and prisons?

A. The Oberstaatsanwalte who are members of the staffs of Landesgerichte are at present the only German administrative officials who assume responsibility for supervising the work of prison directors. This task was simplified prior to 1933 by reason of the fact that several institutions in one court district were governed by one prison director, who coordinated matters of personnel and supply at, usually, the largest of the institutions.

# PERSONAL DATA

## Returned to the States

Lt. Col. Edward S. Sweeney, R & T Bn, ECAD  
Capt. Bernard S. Barr, Det F1H3  
Capt. George E. Bailey, R & T Bn, ECAD  
Capt. John W. Bryant, Det I3G3  
1st Lt. Carl O. Bartelson, R & T Bn, ECAD  
1st Lt. Elliot S. Smith, Det PD-11  
1st Lt. James B. Little, Det E1C3  
Lt. Marshal M. Goodsill, (USNR), G-5, USFET

## Awards

### BRONZE STAR

Lt. Marshal M. Goodsill (USNR), G-5, USFET  
T/3 Raymond C. Brooks, G-5, USFET  
T/4 Ruth M. Roberts, G-5, USFET  
T/4 William R. Rogers, G-5, USFET

## Promotions

### TO COLONEL

Lt. Col. James R. Newman, Det E1A2  
Lt. Col. James P. Pappas, Med Gp, ECAD

### TO LIEUTENANT COLONEL

Maj. Thomas A. Brown, Det C2G1  
Maj. Nathaniel M. Caffee, Hq, ECAD  
Maj. Rockwell A. Davis, Det F1B2  
Maj. Raymond M. Fisher, Det A1L1  
Maj. George W. La Fray, Det E1C2  
Maj. Lynn W. Landrum, Det F1A3  
Maj. Krit G. Logsdon, Det E1A2  
Maj. Carl C. Quackenbush, Det E1G2  
Maj. Francis E. Sheehan, Det E1D2

### TO MAJOR

Capt. Barney C. Barnes, Det I9C2  
Capt. John W. Boyd, Det E2C2  
Capt. Lemuel W. Boykin, Det E2C2  
Capt. Ralph E. Brown, Det H5G3  
Capt. Oscar D. Calhoun, Med Gp, ECAD  
Capt. Biagio A. Carideo, Det A1D2  
Capt. James J. Egan, Det H1H2  
Capt. Valdor L. Ehrenclou, Det H5D2

Capt. Howard W. Fearing, Det F1D2  
Capt. Jesse H. Gwin, Det E1H2  
Capt. John A. Holbrook, Det I5G3  
Capt. John Lindsay, Det H2C3  
Capt. Calvin E. Perkins, DP-7  
Capt. Elmer W. Prince, Det F1F3  
Capt. Frank A. Sawyer, R & T Bn, ECAD  
Capt. George-G. Stout, Det H1F2

### TO CAPTAIN

1st Lt. Donald C. Atchison, Det H3B2  
1st Lt. Carlton Banigan, Det I11D2  
1st Lt. Joseph B. Bellersen, Det E1G2  
1st Lt. Loren G. Bishop, Det I2G3  
1st Lt. Julius R. Buchman, Det E1D2  
1st Lt. Charles E. Carmichael, Det F1C2  
1st Lt. Earl E. Chisamore, Det E1F3  
1st Lt. George W. Coleman, Det I8G3  
1st Lt. Roland W. Cote, Hq, 1st ECAR  
1st Lt. Clem H. Dodson, Det E1C3  
1st Lt. Joseph M. Ficco, Hq, 3rd ECAR  
1st Lt. Henry H. Fick, Med Gp, ECAD  
1st Lt. Charles B. Frasher, Deet E1E2  
1st Lt. Charles C. Hardy, Det A2L1  
1st Lt. William B. Kriel, Hq, ECAD  
1st Lt. Herbert W. McFarling, Det H1F2  
1st Lt. Felix S. McGinnis, Det C2A2  
1st Lt. Christel J. Melchers, Det A1A1  
1st Lt. Ernest H. Moore, Det E1G2  
1st Lt. August J. Neberie, Det I5G3  
1st Lt. Louis F. Noe, Det I7G7  
1st Lt. Jack G. O'Malley, Sv Co, ECAD  
1st Lt. Jonathan B. Rintels, Det I13G2  
1st Lt. James H. Rorke, Det E1A2  
1st Lt. Benjamin S. Schilling, GCA Cur  
1st Lt. Leonard D. Schlacter, DP-7  
1st Lt. William F. Schmidt, Det I4G2  
1st Lt. Herbert Schwab, Det F1C3  
1st Lt. James L. Turner, Det E1A2  
1st Lt. Robert L. Wilson, Det B1D1

### TO FIRST LIEUTENANT

2nd Lt. William B. Le Mar, Det I2D3  
2nd Lt. Leonard T. May, Det F1B3  
2nd Lt. William C. Olsen, Jr., Sv Co, ECAD  
2nd Lt. Edward Sacks, Det E1F3  
2nd Lt. William V. Fralick, I19A3



BR  
ZONE

USSR ZONE

US  
ZONE  
WESTERN  
DISTRICT

FR  
ZONE

SWITZERLAND

A U S T R I A

U.S. ZONE EASTERN DISTRICT

