



Volume 8. Occupation and the Emergence of Two States, 1945-1961  
The U.S. State Department Analyzes the Soviet Note on Berlin (January 7, 1959)

In response to the Soviet Union's Berlin Ultimatum of November 27, 1958, and to Soviet charges that the Western powers had violated treaties, the U.S. State Department issued a detailed memorandum in January 1959. The memo offered up a harsh critique of Soviet policy on Germany since the 1920s. The Americans began by noting that the Soviet Union had once enjoyed close economic and political ties with the Nazi regime – ties that had persisted until a few weeks before the German attack on the Soviet Union in June 1941. They also noted that the Western powers had given Stalin unconditional support in the struggle against Germany between 1941 and 1945. According to the memo, the Western Allies had attempted to continue working together with the Soviet Union after 1945 and had sought to devise a joint policy on Germany. The Soviet Union, on the other hand, had been concerned from the get-go with expanding Communism and establishing satellite states in Eastern Europe and East Germany. In pursuing their agenda, the Soviets had regularly undercut the positive principles laid down in the Potsdam Agreement – e.g., the emphasis on rebuilding Germany and treating it as a unified economic entity. Unlike the Federal Republic, the memo argued, the GDR and its government in East Berlin had never been democratically legitimized. Rather, they were the result of Soviet directives. The Americans also rejected the charge that the remilitarization of West Germany had violated treaties by pointing to the strong East German military and police forces that had been established early on and by emphasizing the limitations placed on West German military engagement.

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### I. Prewar Developments

#### Soviet Allegations:

The Soviet note states that prior to World War II the Soviet Union displayed constant willingness to establish cooperation with the other powers with the object of resisting Hitlerite aggression and that, if the Western powers had not been shortsighted in their hopes of turning Hitler eastward and had cooperated with the U.S.S.R., millions of lives would have been saved. The note says:

It is common knowledge that the USA, as well as Great Britain and France, by no means immediately came to the conclusion that it was essential to establish cooperation with the Soviet Union with the purpose of counteracting Hitlerite aggression, although the Soviet Government constantly indicated its readiness to do so. [ . . . ]

Had the Western powers followed a more far-sighted policy, such cooperation between the Soviet Union, the USA, Great Britain, and France could have been established much

sooner, in the first years after Hitler seized power in Germany, and then there would have been no occupation of France, no Dunkirk, no Pearl Harbor. Then it would have been possible to save millions of human lives sacrificed by the peoples of the Soviet Union, Poland, Yugoslavia, France, Britain, Czechoslovakia, the USA, Greece, Norway, and other countries to curb the aggressors. [ . . . ]

It is evident that the bitter lessons of the murderous war have been lost on certain Western statesmen, who are once again dragging out the notorious Munich policy of inciting German militarism against the Soviet Union, their recent comrade in arms.

The Facts Are:

1. The U.S.S.R. established diplomatic relations with Germany in 1923 and assisted in building up a new German war machine which had been prohibited by the Versailles Treaty after World War I.
2. From 1930 to 1933 the Soviet Union, through its international Communist arm, the Comintern, directed the German Communist Party to collaborate with the Nazis and other extremists in undermining the German Weimar Republic. It helped sabotage democratic parties and institutions and promoted lawlessness and disorder. This aided Hitler's rise to absolute power.
3. In 1933, after Hitler came to power, the U.S.S.R. and Germany exchanged ratifications of an extended neutrality pact.
4. The U.S.S.R. signed 6 credit and commercial agreements with Germany between 1922 and 1933. During Hitler's ascendancy after 1933 the U.S.S.R. concluded 12 more agreements with the Nazi regime at the time when Hitler was building up his military power.
5. The U.S.S.R. turned aside from negotiations with the United Kingdom and France in August 1939 and concluded the Molotov-Ribbentrop agreements which provided the necessary guaranties for coordinated Nazi-Soviet aggression in Eastern Europe and resulted in World War II.
6. In spite of warnings from the Western powers of impending German attack, the Soviet Government aided Nazi Germany until Hitler marched against it in 1941.
7. In April 1941 the U.S.S.R. signed a neutrality pact with the Japanese ally of Hitler, thereby clearing the way for the Pearl Harbor attack on the United States on December 7, 1941.
8. The United States, the United Kingdom, and Canada provided large quantities of vital war materials to the U.S.S.R. during the war. This aid underscored prompt political support from the United States the day after Hitler attacked Russia in June 1941.

By the treaty of April 16, 1922, the Soviet Union obtained *de jure* recognition from Germany, including mutual cancellation of financial claims and most-favored-nation treatment. It established diplomatic relations with the Weimar Republic on July 23, 1923.

From that time until the breaking of diplomatic relations on June 22, 1941, the Soviet Union not only maintained normal diplomatic and economic relations with Germany but also assisted in building up a new German war machine.

Official records of the Weimar Republic show that from 1922 to 1934 the Soviet Union enabled Germany to violate secretly the disarmament provisions of the Versailles Treaty by training German fliers and tankmen in special schools on Soviet soil and by furnishing Germany with ammunition, aircraft engines, and poison gases.

On April 24, 1926, the Soviet Union signed a neutrality pact with Germany. This pact provided one party was to remain neutral if the other were attacked. Each nation promised not to join any coalition against the other in case of attack or to join in economic sanctions against the other if imposed by the League of Nations. This neutrality pact was extended on June 24, 1931, and this extension was ratified on May 5, 1933, after Hitler's assumption of power.

Despite the change of attitude by the U.S.S.R. after Hitler's suppression of the German Communist Party, there was no lessening of the large-scale German-Soviet economic collaboration. This estrangement was accompanied by a temporary improvement of relations between the U.S.S.R. and the democratic countries. The U.S.S.R. was admitted to the League of Nations in 1934 and concluded a mutual assistance pact with France in 1935.

Following the disillusionment of the Munich conference of 1938, the French and British Governments sought to block German aggression toward the East. They guaranteed the integrity of Poland and Rumania early in 1939. In April 1939 the United Kingdom and France, on their own initiative, began military negotiations with the U.S.S.R. which continued into the summer.

These Western negotiations with the U.S.S.R. were undercut by the signature of the Molotov-Ribbentrop agreements of August 23, 1939, which replaced the Soviet-German neutrality pact of 1926 with a 10-year nonaggression pact. The new agreements provided the necessary guaranties for coordinated German and Soviet aggression in Eastern Europe. The immediate victims were Finland, Poland, Rumania, and the Baltic States.

The German attack on Poland came 8 days after the signature of the Nazi-Soviet pact. Great Britain and France, faithful to their obligations to Poland, declared war on Germany on September 3, 1939. The U.S.S.R. occupied major parts of Poland on September 17, 1939.

In a note to the Polish Government on September 16, 1939, the Soviet Union said:

The Polish-German war has revealed the internal insolvency of the Polish State. The Polish Government has fallen to pieces and shows no sign of life. This means that the Polish State and its Government have virtually ceased to operate.

Treaties concluded between the U.S.S.R. and Poland have thereby ceased to operate. Abandoned to her fate and left without leadership, Poland has become a fertile field for any accidental and unexpected contingency which may create a menace to the U.S.S.R.

On October 31, 1939, Molotov summarized Soviet views on the international situation in unusually frank terms. He said:

However, one swift blow to Poland, first by the German and then by the Red Army, and nothing was left of this ugly offspring of the Versailles Treaty which had existed by oppressing non-Polish nationalities.

In the past few months such concepts as “aggressor” and “aggression” have acquired a new concrete connotation, a new meaning. It is not hard to understand that we can no longer employ these conceptions in the sense we did, say, 3 or 4 months ago.

Today, as far as the European Great Powers are concerned, Germany is in the position of a state that is striving for the earliest termination of the war and for peace, while Britain and France, which but yesterday were declaiming against aggression, are in favor of continuing the war and are opposed to the conclusion of peace. The roles, as you see, are changing. Efforts of the British and French Governments to justify their new position on the grounds of their undertakings to Poland are, of course, obviously unsound. Everybody realized that there can be no question of restoring the old Poland. [ . . . ] The real cause of the Anglo-French war with Germany was not that the British and French had vowed to restore old Poland, and not, of course, that they decided to undertake a fight for democracy. The ruling circles of Britain and France have, of course, other and more actual motives for going to war with Germany.

These motives do not lie in any ideology but in their profoundly material interests as mighty colonial powers.

It is fear of losing world supremacy that dictates to the ruling circles of Great Britain and France the policy of fomenting war with Germany. Thus the imperialist character of this war is obvious to any one who wants to face realities and does not close his eyes to facts. [ . . . ] But there is absolutely no justification for a war of this kind. One may accept or reject the ideology of Hitlerism as well as any other ideological system; that is a matter of political views.

Relations between Germany and the other West European bourgeois states have in the past two decades been determined primarily by Germany's efforts to break the fetters of the Versailles Treaty, whose authors were Great Britain and France, with the active participation of the United States. This, in the long run, led to the present war in Europe.

On September 28, 1939, the German Reich had concluded a series of treaties with the U.S.S.R. which contained secret protocols formalizing the partition of Poland and recognizing Lithuania as being in the Soviet sphere of influence, in return for a boundary “rectification” in favor of Germany.

Commenting on the continuation of the war, Molotov said on March 29, 1940:

Germany [ . . . ] has evidently become a dangerous competitor for the principal imperialist powers of Europe—Great Britain and France. They therefore declared war on Germany under the pretext of fulfilling their obligations to Poland. It is now clearer than ever how far the real aims of the governments of these powers are from the purpose of defending

disintegrated Poland or Czechoslovakia. This war is to smash and dismember Germany, although this aim is still being concealed from the masses of the people under cover of slogans of defending “democratic countries” and the “rights” of small nations.

Inasmuch as the Soviet Union refused to become an abettor of England and France in this imperialist policy toward Germany their hostility toward the Soviet Union became still more pronounced. [ . . . ] As a matter of fact, the rights and interests of small countries are just so much small change in the hands of the imperialists.

The U.S.S.R. attacked Finland in December 1939. Soviet moves against Lithuania, Latvia, and Estonia came in June 1940. Bessarabia and Northern Bukovina were taken from Rumania that same month.

The Soviet Union also concluded an entire series of economic agreements with Germany. Between 1922 and 1933 the Soviet Union and Germany signed 6 credit and commercial agreements, while during the period 1933-1941, when Hitler was either accelerating his war preparations or actively engaged in aggression, the Soviet Union entered into 12 credit and commercial agreements with the Nazi regime.

Of these commercial agreements with Germany, Molotov commented on May 31, 1939:

While conducting negotiations with Britain and France, we by no means consider it necessary to renounce business relations with countries like Germany and Italy.

Ignoring its own role in building up Hitler, the Soviet Government now accuses the United States of being his sponsor. According to Russia's *Encyclopedic Dictionary*, volume 3 (1955):

The imperialists of the United States favored the Hitlerites in seizing power in Germany (1933) and connived at the German-Italian intervention against the Spanish Republic (1936-1939), the Italian aggression against Ethiopia (1935-1936) and the seizure of Austria by Hitlerite Germany (1938). They assisted in the conclusion of the shameful Munich agreement (1938) and encouraged Japanese aggression in China. The United States carried on a policy of connivance at the fascist aggression with the purpose of directing it against the U.S.S.R. The policy of the United States contributed to [the] unleashing of World War II of 1939-1945 (pages 254-255).

This statement is the exact opposite of the Soviet view at the time these events were happening. The 1941 *Small Soviet Encyclopedia*, volume 9, states:

From the very beginning Roosevelt took a distinctly negative attitude toward Hitlerite Germany and other fascist powers (page 240).

From the beginning of the war in Europe (September 1939) the United States officially declared its neutrality, but the Government refused to accept either the German aggression in Europe or the Japanese aggression in China (page 901).

The *Encyclopedic Dictionary's* statement is also the exact opposite of the comments of Alexander A. Troyanovsky, first Soviet Ambassador to the United States (1934-1939), in his book *Why the United States Wages War Against Hitlerite Germany*, published in Moscow in 1942:

The idea of international struggle against aggression was not alien to the United States. U.S. Secretary of State Stimson made attempts to carry out a collective action against aggression in connection with the Far East events in 1931-1932. [ . . . ] President Roosevelt did not miss any occasion to state his position for peace, against employing force in international relations. One day before the conclusion of the Munich agreement of September 29, 1938 which led to a violent dismemberment of Czechoslovakia, the President of the United States in a message to the U.S.S.R. Government, suggested that our peace-loving country influence the fascist aggressors and impel them to give up the [policy] of "employing force" with regard to Czechoslovakia (pages 56-57).

Soviet collaboration with the Nazis began to break down seriously only toward the end of 1940 when the Soviets, rejecting a German proposal that the Soviet Union focus its expansion only southward toward the Indian Ocean, tried unsuccessfully to obtain German recognition of Soviet hegemony in Finland and Bulgaria, with Soviet bases on the Turkish Straits as well as in the area south of Batum and Baku (the Middle East). Yet, in spite of Nazi-Soviet differences in these negotiations, the U.S.S.R. in January 1941 made a new economic agreement with Germany, increasing still further Soviet exports of important raw materials to Germany for the conduct of the war. The Soviet Union gave recognition to the aggression of Nazi Germany by breaking diplomatic relations with Yugoslavia in 1941 and, subsequent to the German occupations, also broke relations with Greece, Norway, and Belgium.

In contrast, the United States and the United Kingdom made their attitude toward Nazi aggression clear by establishing working relations with the Free French and maintaining diplomatic relations with the governments-in-exile of other occupied countries.

In March 1941 the United States on two occasions warned the U.S.S.R. that it had received authentic information that Nazi Germany planned to attack the Soviet Union, and Prime Minister Churchill warned Stalin to the same effect in late April. But the U.S.S.R. had just shown its continued solidarity with Hitler by signing, on April 13, 1941, a neutrality pact with the Japanese partner of the Berlin-Rome-Tokyo Axis, thus clearing the way for Pearl Harbor.

It was only when Hitler attacked his Soviet ally in June 1941 that the U.S.S.R. sought Western cooperation in resisting Nazi Germany. In spite of the Soviet record of collaboration with Hitler, the Western powers immediately acceded to Soviet requests for assistance. On the very day following the German attack on the U.S.S.R., the Acting Secretary of State of the United States stated publicly that "any defense against Hitlerism, any rallying of the forces opposing Hitlerism, from whatever source these forces may spring, will hasten the eventual downfall of the present

German leaders, and will therefore redound to the benefit of our own defense and security.”  
Less than 6 months later the United States was fighting Germany as an ally of the Soviet Union.

In addition to their own direct contributions to the defeat of the Axis Powers, the Western nations made vital shipments of large quantities of war material to the U.S.S.R. In spite of losses to Nazi submarines, a great quantity of planes, tanks, and munitions arrived in the U.S.S.R. In a rare moment of praise for its wartime allies, the Soviet Government announced on Radio Moscow and in leading Soviet newspapers, on June 10 and 11, 1944, the receipt of these supplies from the United States, the United Kingdom, and Canada during the period from October 1, 1941, to April 30, 1944. Among the items mentioned were:

12,056 aircraft from the U.S. and U.K.  
8,026 tanks from the U.S. and U.K.  
116 naval craft  
37,407 motor trucks and military personnel carriers  
17,017 motorcycles from the U.K.  
22,400,000 shells  
87,900 tons of gunpowder  
245,000 telephone sets

## II. World War II and Postwar Developments

### Soviet Allegations:

The Soviet note states that the Western Allies had a “joint concerted policy” toward Germany in World War II. It maintains that, if these policies had been continued, as inaugurated by President Roosevelt, there would have been peaceful coexistence after the war. Instead, according to the Soviet note, the atmosphere was poisoned by Winston Churchill and others seeking an aggressive course against the U.S.S.R. The note says:

This is the sad pass to which has come, after the 13 postwar years, the once joint and concerted policy of the Four Powers—the U.S.S.R., the United States, Great Britain, and France—with regard to Germany. [ . . . ]

The policy of the Western Powers, however, was increasingly influenced by forces obsessed with hatred for Socialist and Communist ideas but which concealed during the war their hostile designs against the Soviet Union. As a result, the course was set in the West toward the utmost aggravation of the ideological struggle headed by aggressive leaders, opponents of the peaceful coexistence of states. The signal for this was given to the United State and to other Western countries by W. Churchill in his notorious Fulton speech in March 1946. [ . . . ]

The Soviet Government deeply regrets that events took such a turn, since this prejudices the cause of peace and runs counter to the natural desire of peoples for peaceful coexistence and friendly cooperation. There was a time when the leaders of the United

States and Great Britain, in particular Franklin D. Roosevelt, the outstanding American statesman, reflecting the sentiment of the mass of the people, proclaimed the necessity of creating such a system of mutual relations between states under which the nations would feel secure and people everywhere could live all their lives without fear.

The Facts Are:

1. In wartime agreements the Allied nations stated two fundamental policies: They pledged to defeat the enemy, and they declared they would strive for recovery from the war, continuing wartime cooperation.
2. A heavy price was paid to defeat the enemy.
3. Instead of implementing the wartime agreements, the U.S.S.R. proceeded to carry out its own plans for Communist expansion in Eastern Europe and prevented or delayed wherever possible the actions of the Western powers to promote economic recovery in Germany and all of Europe.
4. These Soviet actions, which contradicted Soviet pledges, destroyed the good will felt for the U.S.S.R. and convinced Western governments of the need for defense against Soviet expansionism.
5. Stalin declared the "cold war" on the West in 1946 by asserting that the wartime alliance with the West was dictated by expediency. He predicted wars between capitalist states and said the Communists would achieve domination over other people.

The wartime policies of the Allied nations toward Germany were defined in terms of waging war successfully and achieving peace and recovery thereafter.

1. The Declaration by United Nations of January 1, 1942, states:

The Governments signatory hereto,

Having subscribed to a common program of purposes and principles embodied in the Joint Declaration of the President of the United States of America and the Prime Minister of the United Kingdom of Great Britain and Northern Ireland dated August 14, 1941, known as the Atlantic Charter.

Being convinced that complete victory over their enemies is essential to defend life, liberty, independence and religious freedom, and to preserve human rights and justice in their own lands as well as in other lands, and that they are now engaged in a common struggle against savage and brutal forces seeking to subjugate the world,

DECLARE:

1. Each Government pledges itself to employ its full resources, military or economic, against those members of the Tripartite Pact and its adherents with which such government is at war.
2. Each Government pledges itself to cooperate with the Governments signatory hereto and not to make a separate armistice or peace with the enemies.



The foregoing declaration may be adhered to by other nations which are, or which may be, rendering material assistance and contributions in the struggle for victory over Hitlerism.

2. The Anglo-Soviet-American communiqué of November 1, 1943, following the Moscow Conference of Foreign Ministers, states:

Second only to the importance of hastening the end of the war was the unanimous recognition by the three Governments that it was essential in their own national interests and in the interest of all peace-loving nations to continue the present close collaboration and cooperation in the conduct of the war into the period following the end of hostilities, and that only in this way could peace be maintained and the political, economic and social welfare of their peoples fully promoted.

3. The agreement establishing the United Nations Relief and Rehabilitation Administration, signed November 9, 1943, states in article I, paragraph 2:

Subject to the provisions of Article VII, the purposes and functions of the Administration shall be as follows:

(a) To plan, coordinate, administer or arrange for the administration of measures for the relief of victims of war in any area under the control of any of the United Nations through the provisions of food, fuel, clothing, shelter and other basic necessities, medical and other essential services; and to facilitate in such areas, so far as necessary to the adequate provision of relief, the production and transportation of these articles and the furnishing of these services. The form of activities of the Administration within the territory of a member government wherein that government exercises administrative authority and the responsibility to be assumed by the member government for carrying out measures planned by the Administration therein shall be determined after consultation with and with the consent of the member government.

4. The Crimean (Yalta) Conference of the United Kingdom, the U.S.S.R., and the United States, February 4-11, 1945, stated in positive terms in a Declaration on Liberated Europe:

To foster the conditions in which the liberated peoples may exercise these rights, the three governments will jointly assist the peoples in any European liberated state or former Axis satellite state in Europe where in their judgment conditions require

(a) to establish conditions of internal peace;

(b) to carry out emergency measures for the relief of distressed peoples;

(c) to form interim governmental authorities broadly representative of all democratic elements in the population and pledged to the earliest possible establishment through free elections of governments responsive to the will of the people; and

(d) to facilitate where necessary the holding of such elections.

These agreements show that the wartime Allies, including the U.S.S.R., were agreed on basic principles to govern their postwar conduct, namely, establishment of a just and stable world order, relief of distressed peoples, and rehabilitation of war-devastated areas.

However, the U.S.S.R. refused to carry out specific proposals to implement the agreements and proceeded to carry out its own plans throughout Soviet-occupied Eastern Europe. For example, instead of cooperating with the Western Allies in the Allied Control Council (the supreme Allied body in postwar Germany) in providing a minimum economic standard essential for survival and future recovery of the German people, the U.S.S.R. delayed and avoided decisions and finally walked out of the ACC in March 1948.

In the postwar conferences of Foreign Ministers, the Soviet Union concentrated on procedural matters such as priority of agenda items and blocked Western proposals while Moscow-trained Communists, backed by the Soviet Army, usurped power in Rumania, Bulgaria, Hungary, Albania, Czechoslovakia, Poland, and East Germany. In 1947 at Moscow the Soviet Union refused to disclose basic information about its zone of occupation in Germany, leading to suspicions, later proved correct, that vast areas were being stripped of every transportable item for shipment to the U.S.S.R. These facts help explain the unwillingness of the Soviet authorities to cooperate in establishing a balanced economy for Germany as agreed upon at Potsdam. This was a most serious setback to recovery in Europe and to development of a self-supporting German economy, even at a minimum level.

The fate of the Eastern European states, which were forced to become satellites because of the presence or proximity of Soviet military forces, demonstrates the difference between pledges of the Soviet Union at Yalta and its subsequent actions.

The United States could not avoid interpreting these Soviet deeds as indicative of the real policies of the U.S.S.R. in spite of Soviet promises and pronouncements. Soviet disregard for solemn agreements and principles shattered the good will felt for the U.S.S.R. among the American people and convinced every Western government of the need for defense against the threat of further Soviet expansionism.

The "cold war" was declared and the Communist postwar line set by Stalin in his Moscow speech of February 9, 1946. In this speech Stalin made it clear to the world that the wartime alliance with the Western powers had been dictated by expediency and was not to be interpreted as an indication that cooperation between the Soviet Union and its former allies was lasting or would continue.

He reminded his listeners that Communist doctrine considered that war was inevitable until capitalist countries had been taken over by Communist parties, and he outlined the economic plans by which the Soviet Union should lay the basis on which it could fight the “inevitable” future war.

He boasted of the might of the Soviet state and of its wartime achievements and informed the world that the Soviet Union would not rest content with the victory in World War II. His demand for recognition that “the Soviet social order is a form of organization, a society superior to any non-Soviet social order” was not lost on non-Soviet peoples. They clearly discerned the renewal of the Communist call for maximum efforts by Communist partisans to achieve domination over all the peoples of the world.

### III. Postwar Relations with Germany

#### Soviet Allegations:

The Soviet note charges the Western Allies with violation of the political and economic provisions of the interallied agreements, particularly the Potsdam Agreement. It contends that these violations were a part of the Western “aggravation of the ideological struggle” and Western “war preparations.” The Western Allies, it says, worked actively to prevent the peaceful unification of Germany and West Germany’s leaders were militarists who made plans to unify Germany by force.

The note goes on to state that East Germany is governed under a constitution in “the finest progressive traditions of the German nation” and has made great “democratic and social gains.” The Western powers, it states, used their presence in West Berlin to “pursue subversive activity” against Russia and the satellites, whereas, by contrast, the quadripartite agreement on Berlin was “scrupulously observed by the Soviet Union.”

The note claims that, during the entire postwar period, despite aggravations and war preparations by the West, the Soviet Union remained a firm supporter of policies of “peaceful coexistence,” “noninterference” in the affairs of other states, and respect for the “sovereignty and territorial integrity” of other countries. The note says:

The participants in the Potsdam Conference expressed their determination to prevent any fascist and militaristic activity or propaganda. They also understood to permit and encourage all democratic political parties in Germany. [ . . . ]

The Potsdam Agreement contained important provisions whereby Germany was to be regarded as a single economic entity, even during the occupational period. The agreement also provided for the creation of central German administrative departments. [ . . . ]

The policy of the USA, Britain, and France with respect to West Germany has led to the violation of those provisions of the Potsdam Agreement designed to ensure the unity of Germany as a peace-loving and democratic state. And when a separate state, the Federal Republic of Germany, was set up independently [of the Soviet Union] in West Germany, which was occupied by the troops of the Three Powers, East Germany, where forces determined not to allow the German people to be plunged once again into disaster assumed the leadership, had no alternative but to create in its turn an independent state. [ . . . ]

State and public affairs in the German Democratic Republic are governed by a constitution fully in keeping with the principles of the Potsdam Agreement and the finest progressive traditions of the German nation. [ . . . ]

The Soviet Union stands for complete noninterference in the internal affairs of the German people, or in those of any other people. [ . . . ]

The Soviet Union, as well as other states interested in strengthening peace in Europe, supports the proposals of the German Democratic Republic for the peaceful unification of Germany. The Government of the USSR regrets that none of the efforts made in this direction has as yet produced any positive results, since the governments of the United States and other NATO members, and, above all, the Government of the FRG, do not, in fact, display any concern either for the conclusion of a peace treaty or for the unification of Germany. [ . . . ]

Actually, of all the Allied agreements on Germany, only one is being carried out today. It is the agreement on the so-called quadripartite status of Berlin. On the basis of that status, the Three Western Powers are ruling the roost in West Berlin, turning it into a kind of a state within a state and using it as a center from which to pursue subversive activity against the GDR, the Soviet Union, and the other parties to the Warsaw Treaty. The United States, Great Britain, and France are freely communicating with West Berlin through lines of communication passing through the territory and the airspace of the German Democratic Republic, which they do not even want to recognize.

The governments of the Three Powers are seeking to keep in force the long-since obsolete part of the wartime agreements that governed the occupation of Germany and entitled them in the past to stay in Berlin. At the same time, as stated above, the Western Powers have grossly violated the Four-Power agreements, including the Potsdam Agreement, which is the most concentrated expression of the obligations of the Powers with respect to Germany.

The Four-Power status of Berlin came into being because Berlin, as the capital of Germany, was designated as the seat of the Control Council established for Germany's administration during the initial period of occupation. This status has been scrupulously observed by the Soviet Union up to the present time, although the Control Council ceased to exist as early as ten years ago, and there have been two capitals in Germany for a long time. As for the USA,

Great Britain, and France, they have chosen to abuse in a flagrant manner their occupation rights in Berlin and have exploited the Four-Power status of the city for their own purposes to the detriment of the Soviet Union, the German Democratic Republic, and the other Socialist countries.

The Facts Are:

1. The stated purposes of postwar agreements between the Allies on Germany were to eliminate vestiges of the Third Reich, to prevent rebirth of aggressive forces, and to chart a course by which Germany could recover its respect and play a constructive role in international affairs.
2. Long before the signature of the Potsdam Protocol, embodying these principles, in August 1945, the U.S.S.R. began its efforts to turn Germany into a Soviet satellite. It selected, trained, and repatriated individuals who later became the political and military leaders of the East German regime.
3. Before the Western powers occupied their sectors in Berlin, the Soviet Army had licensed political parties and subjected them to control through traditional Communist mechanisms, These still obtain in East Germany today.
4. Nevertheless the victorious powers negotiated the Potsdam Protocol, which contained both negative features (demilitarization, denazification, and reparations) and positive features (elected local governments, unified administration, democratic rights for all citizens, balanced economic treatment, and an eventual peace treaty to settle the war). The U.S.S.R. refused to carry out these positive principles.
5. The United States did not wish Germany to become a Soviet satellite. It urged economic recovery in Europe as a whole.
6. The U.S.S.R. sidestepped an American proposal for a 40-year nonaggression pact guaranteeing against a recurrence of German military aggression. The Soviets opposed economic recovery in Europe. They walked out of the four-power Allied Control Council for Germany and instituted the Berlin blockade in 1948 to try to force the Western Allies out of the city.
7. In Berlin the Soviets forced the split in the city and set up a rump government in East Berlin to oppose the duly elected government of the city.
8. Despite the lack of Soviet cooperation, the Western powers proceeded to carry out the Potsdam Protocol in their own zones in West Germany. Following free elections and the adoption of an approved Basic Law (constitution), the Federal Republic was established.
9. The Soviets proclaimed the so-called German Democratic Republic in 1949. No free elections have ever been held.
10. The Communists continue to prevent free circulation of information and to control movement of citizens in East Germany and between East and West Germany. They justify this action on grounds of preventing "fascist aggression" and "outside provocation" by "espionage agencies" in West Berlin.

The stated purpose of postwar agreements was to achieve a better world in the future and to secure the peace. In Germany this meant:

(a) to eliminate vestiges of the Third Reich and to prevent rebirth of aggressive forces and  
(b) to chart a course of action by which Germany could regain its self-respect and play a constructive role in international affairs.

Even before the Potsdam Protocol was signed, the U.S.S.R. began its efforts to turn Germany into a satellite of the Soviet Union. Groups of German Communists had been in training in the U.S.S.R. all during the war. Their future leaders, Wilhelm Pieck, Walter Ulbricht, Karl Maron, Lothar Bolz, and others, were working closely with the Comintern and the Soviet Army waiting for the entry of Soviet forces into Germany. These men have headed the East German regime since its establishment in 1949, and between 1945 and 1949 they were among the principal officials serving under the Soviet occupation forces in East Germany.

The National Committee for Free Germany, a Soviet-sponsored organization of captured German officers and soldiers, was organized on July 7, 1943, to provide Communist political indoctrination for German prisoners of war in the U.S.S.R. and to form cells among military men as a basis for future German rearmament under Soviet auspices. Prominent graduates of the so-called "Antifa School" (Antifascist School) at Krasniy Gorsk who subsequently received leading positions in East Germany included: Wehrmacht Colonel Luitpold Steidle, later Minister for Health; Wehrmacht Major General Vincenz Mueller, later Lieutenant General and Chief of Staff of the East German armed forces; Wehrmacht Major General Otto Korfes, later a political leader in the National Front in East Germany and responsible for organizing former German army officers; Major Egbert von Frankenberg und Proschlitz, now the military commentator of the East German radio and a leading member of the National Democratic Party, which was established in 1948 by the Soviets as the party for former soldiers and Nazi party members; Wehrmacht Lieutenant General Arno von Lenski, now a Major General in the East German army and its leading expert on tank warfare; former regimental commander Bernhard Bechler, who is now Deputy Chief of Staff of the East German forces; and Wehrmacht Lieutenant General Hans Wulz, now a Major General in the East German armed forces and city commandant in East Berlin.

The Soviet Army for a brief period during May and June 1945 was the sole occupier of Berlin. On June 10, 1945, three weeks before the first U.S. elements entered Berlin, the Soviet occupation authorities licensed four political parties in the city, namely the Communists, the Social Democrats, the Christian Democratic Union, and the Liberal Democrats. The next day these four parties were brought under the Antifascist Democratic Bloc, a Soviet device to control the leaders and programs of these parties and to limit their freedom to those political actions approved by the Communists and the U.S.S.R.

Thus the outline and organization for Soviet policies in Germany in the military and political spheres was accomplished even before the victorious powers could meet to discuss their plans and to agree on implementing the stated principles of the wartime coalition. Nevertheless, the Berlin (Potsdam) Conference of the Heads of Government of the U.S.S.R., the U.K., and the United States met from July 17 to August 2, 1945, to consider a wide range of international

problems, including a set of principles with respect to Germany which should be followed to accomplish the aims of the wartime Allies.

The Potsdam Protocol, dated August 1, 1945, included both negative features of Allied purposes (demilitarization, denazification, and reparations) and positive provisions to show the Allied nations and Germany that there was a future for the German people. The following are quotations from the positive features of the Potsdam Protocol:

[ . . . ] 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.

[ . . . ] The administration of affairs in Germany should be directed towards the decentralization of the political structure and the development of local responsibility. To this end:

[ . . . ] 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;

[ . . . ] all democratic political parties with rights of assembly and of public discussion shall be allowed and encouraged throughout Germany;

[ . . . ] 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;

[ . . . ] 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.

[ . . . ] 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.

[ . . . ] 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 allocations;
- (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 accounts shall be taken, where appropriate, of varying local conditions.

[ . . . ] 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 UK and USSR.)
- (c) to ensure 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, et cetera, connected with economic activities.

[ . . . ]

Measures shall be promptly taken:

- (a) to effect essential repair of transport;
- (b) to enlarge coal production;
- (c) to maximize agriculture output; and
- (d) to effect emergency repair of housing and essential utilities.

The four commanders in chief of the Allied armies in Germany were responsible for carrying out the political and economic principles of the Potsdam Protocol, each in his own zone of occupation, and also jointly, in matters affecting Germany as a whole, as members of the Allied Control Council. Almost from the beginning it became evident that the Soviet representatives, Marshal Zhukov and later Marshal Sokolovsky, were determined to prevent implementation of the positive principles of the Potsdam Protocol—they would agree to principles but then refuse to implement specific proposals to carry out the concepts. Although they agreed to do so, they refused to promote German reconstruction, waging a campaign of delay and diversion. For example, in December 1945, when the U.S. and U.K. commanders proposed opening zonal borders to the travel of Germans, Marshal Sokolovsky agreed in principle but said that practical application at the moment was impossible. The United States and the United Kingdom were unable to elicit his reasons. When the Western powers asked that the Soviet place the manufactures from East Germany in a common pool to meet the cost of essential imports, as provided by the Potsdam Protocol, the Soviets did not deny the agreement but put up a successful delaying action. By such tactics the Allied Control Council was limited in scope to the negative features of the Potsdam Protocol. Numerous ACC decrees on undoing the work of the Nazis were issued, but approval of measures to rebuild Germany and reestablish a minimum economic base for survival and subsequent democratic government was denied and frustrated by the Soviet Union.



This obstructionism, together with the suffering and hopelessness prevalent in Europe and Germany, impelled the American Secretary of State, James F. Byrnes, to restate U.S. objectives and policies at Stuttgart, Germany, on September 6, 1946. Mr. Byrnes said U.S. policy had been consistent with the following guide lines: to defeat Nazi Germany and obtain its surrender; to assure that Germany would not misconstrue the causes and consequences of aggressive war and would not again launch such a war; to encourage revival in Germany of those elements which would be the best guaranty that Germany would become democratic and follow moderate policies; and to unite the German people into one nation under their own leaders.

Secretary Byrnes said:

While we shall insist that Germany observe the principles of peace, good-neighborliness, and humanity, we do not want Germany to become the satellite of any power or powers or to live under a dictatorship, foreign or domestic. The American people hope to see peaceful, democratic Germans become and remain free and independent.

The Council of Foreign Ministers, meeting at London from November 25 to December 15, 1947, failed to reach agreement on the problems of reunification of Germany and establishment of a central government with which a peace treaty could be negotiated. Basic to failure of the Council of Foreign Ministers was the clear-cut, fundamental issue between the Soviets and the West: postwar economic recovery in Europe and Germany. With the European Recovery Program (Marshall Plan), the United States frankly advocated rehabilitation of the European community into healthy nations strong in government and guarantors of true freedom for the individual against the terror of tyranny. Although aid was offered to Europe as a whole, not just Western Europe, the U.S.S.R. was hostile to economic recovery, obviously preferring continuation of the political and economic vacuum in Europe caused by the havoc of World War II. Consequently, the U.S.S.R. refused to participate itself in the European Recovery Program and kept other European countries, such as Czechoslovakia and Poland, from participating. Instead, it decided to push on with its plans for dividing and weakening Germany. Abolition of the Allied position in Berlin and isolation of the people of West Berlin became the first objectives in the offensive.

The Soviets walked out of the Allied Control Council for Germany on March 20, 1948, and imposed rail and road restrictions on Allied traffic to Berlin from the Western zones on April 1, 1948. The Allies inaugurated a "little airlift" which was expanded to a full airlift on June 26, 1948, two days after the Soviets imposed a total blockade. On June 16, 1948, the Soviets walked out of the Kommandatura (the Allied governing body for Berlin), and on July 1, 1948, the Soviet chief of staff of the U.S.S.R. delegation to the Kommandatura told his British, French, and American colleagues that four-power administration of Berlin no longer existed. The attitude of the Western powers was that an organization established by four-power agreement could not be dissolved unilaterally. In spite of his withdrawal from the Allied Control Council, Marshal Sokolovsky, the Soviet representative on the Council, expressed a curiously similar attitude on June 29, 1948, in a letter to General Clay, the U.S. Commander in Germany. Referring to the

informal London conference of June 7, 1948, between representatives of the three Western powers and the Benelux nations on German problems, Marshal Sokolovsky said:

Therefore, any decisions regarding Germany, concluded by one or several of the occupying Powers in Germany without the participation of the Soviet Union, are illegal and without moral authority.

The U.S.S.R. not only disrupted unity on the Allied quadripartite level but also destroyed those united Germany democratic institutions which already existed in 1947-48. An example is the destruction of the political and legal unity of Greater Berlin during 1947-48. First the Soviets interfered in the democratic processes of government in 1947, and then during 1948 they formally and "legally" disrupted the city. A short chronological account follows:

From the beginning of the occupation in 1945, Greater Berlin was considered by the U.S.S.R. and the Western Allies as a single city. There was no "East" or "West" Berlin. The Soviets, taking advantage of their capture of the city, *appointed* the provisional government of the city and of its subdivisions.

During 1946, in the hope that by this maneuver they could "legitimize" Communist rule in Berlin and in East Germany, the Soviets forced the merger in the East Zone of the SPD (Social Democratic Party) with the KPD (Communist Party) into the SED, the Socialist Unity Party. The intention was to "capture" the Socialist voters of Berlin and the East Zone. The "merger" took place on April 19-20, 1946.

The SPD of Berlin resisted this "merger" and insisted on running under its own name as a separate party in the first postwar Berlin elections of October 20, 1946.

In these elections the Communists received a severe defeat, as is shown by the following table of distribution of votes:

SPD (Social Democratic Party .....	48.7%
CDU (Christian Democratic Union .....	22.2%
LDP (Liberal Democratic Party) .....	9.3%
Non-Communist vote .....	80.2%
SED (Socialist Unity Party) (Communist vote) .....	19.8%

When the first democratically elected city parliament assembled, the Communists had only one one-fifth of the membership. The parliament first elected Mayor Ostrowski (Social Democrat) as Governing Mayor. In April 1947 the parliament repudiated a written agreement by Ostrowski to cooperate with the SED in administering the city's affairs. The parliament voted nonconfidence in him, and Ostrowski resigned. On June 24, 1947, the parliament elected the SPD leader, Ernst Reuter, as Governing Mayor of Berlin. His election conformed to both Allied Kommandatura and Berlin municipal law. The Soviets, however, afraid that Reuter would install officials of his own

rather than men of their choice in the city administration, “vetoed” his election. The unified city therefore had no Governing Mayor throughout the greater period of its democratic administration (June 1947-December 1948). In the absence of a Governing Mayor, Deputy Mayor Louise Schroeder conducted the city's affairs.

The city government quite properly insisted on making all civil officials subject to its authority. A struggle broke out immediately over control of the police. The Soviets had installed their representatives in the police, who refused to submit to the legal German controls which had been authorized by the Allied Kommandatura. Instead, the Soviet representatives continued to take orders directly from Soviet (*not* German and *not* Allied) officials. This led to a crisis in the city, in which the Western Allies and the legal municipal government and parliament were all equally opposed to arbitrary Soviet interference in the affairs of the city. In the Western sectors the issue was eventually resolved; in the Soviet Sector, however, the Communist police officials defied to the very end the orders of the Allied Kommandatura and the Berlin Government.

After walking out, on March 20, 1948, from the Allied Control Council for Germany, the Soviets left the Allied Kommandatura for Berlin on June 16, 1948. On June 18, 1948, the three Western Allies, still seeking to carry out the Potsdam decision to re-create a viable German economy and after repeatedly inviting the Soviets to join in four-power control of the issuing bank, carried out a currency reform in the three Western zones. In order not to aggravate matters with the Soviets, the reform was not extended to Berlin. The Soviets, instead of joining the Allies, carried out on June 23, 1948, a separate currency reform in East Germany “and Berlin.” Thereup[on] the Allies extended their reform to the Western sectors of the city.

The sequence of significant events in Berlin from June to November 1948, which ended in the division, follows: On June 23 the Soviets ordered the SED to carry out riots around the City Hall, which was located in the Soviet Sector of Berlin, and brought the demonstrators to the scene in Russian Army trucks. Soviet Marshal Sokolovsky unilaterally issued an order on a minor subject, but he stated it was to apply to “all of Berlin.” Only the Allied Kommandatura could legally issue such an order. This usurpation of authority convinced all Germans that the U.S.S.R. was intent on ending quadripartite control of the city.

On June 24 the Soviets imposed a full blockade on the city.

From August 26 to September 6-7 the second City Hall demonstrations were carried out under Soviet instructions and direction.

On October 25 the U.N. Security Council's draft resolution for settling the Berlin crisis was *vetoed by the Soviets* [italics in original].

On November 30, while the “blockade” was still in force, the Berlin Communists formally split the city government, establishing a new “rump” government in East Berlin, which promised to legalize its existence by free elections. These were never held.

The vast majority of the legal deputies withdrew to West Berlin. After the municipal elections of December 5, 1948 (which had been announced before the “rump” action and which the Soviets refused to permit in their sector, despite a four-power agreement that they should be held), the elected deputies who could not return to the City Hall in the Soviet Sector constituted themselves a body in West Berlin and elected Ernst Reuter Governing Mayor of the whole city. Their laws, of course, could in practice be enforced only in West Berlin.

This is the story of how the united city of Berlin was divided, the Western part being and remaining democratic under the legally elected government of the whole city, the East becoming a “rump” which was eventually to claim to be the “capital” of the equally undemocratic “German Democratic Republic.”

It is over this “Western” Berlin that the struggle is once again being intensified.

With no prospect for obtaining Soviet cooperation in carrying out agreed principles in Europe, in Germany, or in Berlin, and alerted by the Communist coup in Czechoslovakia, the United States and the other Western Allies turned their efforts toward reunification of their zones of Germany. The starting point already existed in the form of bizonal economic cooperation. The Federal Republic was formally proclaimed in September 1949 after democratic elections and adoption of an approved Basic Law. The actions of the Western powers were designed to carry out the provisions of quadripartite agreements in areas in which the Western powers had direct control. An Allied High Commission and other supervisory agencies were established in the West to guide the German efforts toward reestablishment of a unified German state with its own place in international affairs. The steady growth, politically, economically, and in world affairs, of the Federal Republic is recognized by many sovereign nations. The U.S.S.R. itself maintains diplomatic relations with the Federal Republic.

The promulgation of the so-called German Democratic Republic in October 1949 was justified by the U.S.S.R. and the German Communists as a “response” to the establishment of the Federal Republic. This contention did not deceive anyone. The so-called GDR was established on Soviet orders and not on the basis of self-determination. No free elections or free discussion preceded the formation of the regime. The first “elections” were held only in 1950, and these were single-list “elections” conducted under the auspices of the “bloc-party” system and the National Front, a Communist cover organization created to coordinate the activities of political and mass organizations.

The principles in the East German Constitution, admirable though they may be, are, unfortunately, not being implemented. Reference is made particularly to article 6 (exercise of democratic rights), article 8 (personal liberty), article 9 (freedom of expression and assembly), article 14 (right to strike). The suppression by the regime, with the active aid of Soviet military forces, of the spontaneous strikes and uprisings of June 1953 in East Berlin and East Germany violated each of these articles.

The principles of nonintervention in the affairs of other states, peaceful coexistence, and respect for the sovereignty and territorial integrity of other countries are always stressed by the U.S.S.R. The postwar cases of Iran, Greece, Korea, East Germany, and Hungary, among many others, can be recalled to illustrate the difference between Soviet statements and Soviet deeds. The Soviet justification for directly and indirectly violating rights of nations and principles of international law is always “fascist aggression,” “outside provocation,” and “subversive activity sponsored by foreign agents.” The Soviet Union has consistently refused to permit impartial inspections (as in Korea and Hungary) and denied actions by the United Nations wherever these actions threatened to expose its deeds. The refusal of the Communists in 1952 to grant entry into East Berlin and East Germany of the U.N. Commission to investigate whether there were conditions conducive to free elections is a specific example in Germany.

It is clear that the U.S.S.R., the United Kingdom, and the United States agreed that there should be a rebirth of free political parties and the reestablishment of essential political freedoms in Germany as a whole including the free flow of information and publications. The Allied Control Council in directives 40 and 55 subsequently issued more specific instructions on the subject of interzonal exchange of information and printed matter. Comments on the policy of the occupying powers were allowed. Information from the foreign press was permitted. “The exchange of information and democratic ideas shall not be subject to any pressure of any sort, administrative or economic, on the part of the central government [never formed] or the Land Governments.”

These principles were never practiced inside the Soviet Zone of Germany. The possession of “fascist” literature was made a felony. The term “fascist” is used by the Communists to describe any expression of opposition to the regime. Obstacles were also placed in the way of free flow of information from the other zones to the Soviet Zone. It was this direct Soviet action that led to the popularity and the significance of Western newspapers and radio stations, for example, RIAS (Radio in American Sector) in Berlin and in East Germany.

Denied the right of free expression themselves and prohibited from obtaining information freely from outside the Soviet Zone, they naturally turned to alternative sources. Since the Soviet motivation was to isolate the East German people from the rest of the nation, the infringement of the principles of free flow of information and political activity has not been corrected. On the contrary, the Western radio stations have been jammed, and Western media and legitimate information-gathering organizations have been branded “espionage centers” and sources of “subversive activity.” Heavy penalties have been exacted for listening to Western radio stations or visiting “fascist agencies” such as the offices of newspapers, licensed political parties, and legal advisory societies established in West Berlin or West Germany for the purpose of providing advice and assistance to East Germans. The numerous “show trials” of “confessed agents” who wanted free information or assistance or advice are direct evidence of the mechanisms used by the U.S.S.R. and the East German regime to prevent the reestablishment of essential human freedoms in the largest nation in Europe outside of the U.S.S.R. itself.

## IV. Reparations

### Soviet Allegations:

The Soviet note says the Western powers began to follow a policy in Germany counter to the provisions of the Potsdam Protocol about a year after the war. The note specifies this was due to a heated ideological struggle which reversed wartime cooperation. It charges that the Western powers refused to give the U.S.S.R. reparations due from Germany. The note says:

The first violation of the Potsdam Agreement was the refusal by the governments of the USA, Great Britain, and France to honor their commitments under the aforesaid agreement regarding the transfer to the Soviet Union of the agreed amount of industrial equipment from West Germany, as partial compensation for the destruction and damage inflicted upon the national economy of the U.S.S.R. by the aggression of Hitlerite Germany.

### The Facts Are:

1. The Potsdam Protocol provided that the U.S.S.R. should receive from the Western occupation zones 15 percent of specified types of such industrial capital equipment as was unnecessary for the German peace economy *in exchange for an equivalent* [italics in original] value of food and other raw materials plus an additional 10 percent without exchange. Payment of reparations should leave enough resources to enable the German people to subsist *without external assistance* [italics in original]. It also provided that Germany should be treated “as a single economic unit.”
2. The Soviet Union did *not* deliver food and other raw materials in return for large shipments of capital equipment from the Western zones.
3. The United States suspended reparations shipments because of the failure of the Soviet Union to implement the Potsdam Protocol as a whole.
4. The Soviet Union continued to extract reparations from its zone at a time when the Western powers were forced to maintain a minimum economic level by financing imports to Germany. In effect, shipments of reparations to the U.S.S.R. at a time when the United States was supporting its own zone to make up deficiencies caused by Soviet violations of the Potsdam Agreement amounted to the U.S.S.R.'s collecting reparations from the United States.

The Potsdam Protocol, dated August 1, 1945, and signed by the Heads of Government of the United States, the United Kingdom, and the U.S.S.R., provided several things with respect to the reparations which the Soviet Union was to receive from Germany:

- (1) Reparation claims of 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.

Also,

- (2) 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.

Also,

(3) 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 was not to apply to the equipment and products referred to in the passage quoted under 2 above.)

Also,

(4) 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: [ . . . ] (d) import and export programs for Germany as a whole; [ . . . ] (f) reparation and removal of industrial war potential; (g) transportation and communications.

The United States began to make reparations shipments to the U.S.S.R. on March 31, 1946, and by the following August 1 had made 11,100 tons of reparations equipment available to the U.S.S.R. from the Kugel-Fischer ballbearing plant at Schweinfurt, the Daimler-Benz underground aircraft-engine plant at Obrigheim, the Deschimag shipyards at Bremen-Weser, and the Gendorf powerplant. By contrast, the Soviet Union did not live up to its agreement to ship to the Western zones of Germany food, coal, potash, zinc, timber, and other products from the Soviet Zone in exchange for a part of the reparations shipments from the Western zones.

The Soviet note accuses the Western powers of failing to make the reparations deliveries under point 2 above but fails to relate that the Western powers suspended such deliveries only *after* the Soviet Union had violated points 3 and 4 and its obligations under point 2(a). Furthermore, it was made clear that the suspension was intended to be temporary in nature, until such time as the U.S.S.R. was willing to implement the Potsdam Protocol as a whole. Because the U.S.S.R. never has been willing to do this, the suspended deliveries were never resumed.

The U.S.S.R. wanted to collect \$10 billion in reparations from Germany. It had proposed this figure at the Yalta Conference in February 1945. This proposal was not accepted by the United States and the United Kingdom at Yalta, nor was it accepted afterwards. Nevertheless the U.S.S.R. went about collecting reparations as if this amount had been agreed to, despite the clear statement in the Potsdam Protocol that "common policies" should be established in regard to reparations.

Germany at the time of the Potsdam Conference was economically a deficit area, requiring sizable imports to establish its economy even at a minimum level. This is why the Western powers insisted that the Potsdam Protocol provide that payment of reparations “should leave enough resources to enable the German people to subsist without external assistance,” that the necessary means must be provided to pay for necessary imports, and that the “proceeds from current production and stocks” should be “available in the first place for payment for such imports.” In other words, the proceeds from current production were not to be used for reparations if they were needed to pay for necessary imports. In violation of this agreement the Soviet authorities exacted reparations in large quantities from current production in the Soviet zone of occupation and refused to account for their removals from Eastern Germany.

The result of the Soviet violations of the Potsdam Protocol recounted above, and of the Soviet refusal to treat Germany as an economic unit (with the resources of its zone available for use elsewhere in Germany), was that the United States and the United Kingdom had to give financial support to their zones in Germany to maintain a minimum economy. A year after the Potsdam Conference the U.S. Military Governor in Germany reported:

The U.S. Zone depends historically on coal and steel from the British Zone, on food and seeds from the Soviet Zone, on fertilizer and tin plate from the French Zone. Today the United States is spending perhaps 200 million dollars a year—over a half million dollars a day—to prevent starvation, disease, and unrest in the U.S. Zone. Without free trade with other parts of Germany, and without a common export program, the U.S. Zone can not pay its own way.

In effect, the United States, in shipping reparations to the Soviet Union while supporting its own zone to make up deficiencies caused by Soviet violations of the Potsdam Protocol, was permitting the U.S.S.R. to collect reparations from the United States itself, rather than from Germany. It was against this background that the United States suspended reparations shipments from the U.S. Zone to the U.S.S.R. until such time as the Soviet Union was willing to implement the Potsdam Protocol as a whole.

## V. Rearmament

### Soviet Allegations:

The Soviet note says that the Western powers are rearming West Germany, encouraging and restoring the forces which had built up Nazi military power. The Soviets maintain that this is a violation of the Potsdam Protocol and that the Soviet Union has been compelled to establish the Warsaw Pact as a defensive system. The note says:

Having embarked upon the restoration of the military and economic potential of West Germany, the Western Powers revived and strengthened the very forces that had forged Hitler's war machine. Had the Western Powers honored the Potsdam Agreement, they would have prevented the German militarists from regaining their positions, checked



*revanche* tendencies, and not permitted Germany to create an army and an industry manufacturing the means of destruction.

However, it is a known fact that the governments of the Three Powers not only failed to do this but, on the contrary, sanctioned the creation of a West German army and are encouraging the arming of the Federal Republic of Germany, disregarding the commitments made at Potsdam. Moreover, they included West Germany in the North Atlantic bloc, which was created behind the back of the Soviet Union and, as everyone is aware, against it, and are now arming West Germany with atomic and rocket weapons.

The Facts Are:

1. The United States in 1945, 1946, and 1947 proposed the negotiation first of a 25-year and later of a 40-year treaty which would guarantee against resurgence of German militarism. The Soviet Union effectively killed the negotiations by dragging in numerous extraneous and controversial issues.
2. In the U.S. Zone of Germany the United States carried out fully the demilitarization provisions of the Potsdam Protocol by 1950.
3. Beginning in 1948 the Soviets built up a sizable "police force" in its zone, arming it with military-type weapons and having it trained by former German army officers.
4. In 1954 (a year before an army was established in West Germany) 140,000 German military personnel were under arms in the Soviet Zone plus a police force of 100,000. At this time West German police numbered 150,000, although there are three times as many people in West Germany as in East Germany.
5. The military forces of the Federal Republic are integrated into the North Atlantic Treaty Organization, which has purely defensive purposes within the framework of the United Nations. The Federal Republic has renounced aggressive purposes and accepted specific limitations on armaments. The Western powers have repeatedly assured the Soviet Union on these points.

The terms of the Potsdam Protocol with respect to the demilitarization of Germany were as follows:

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

- (1) 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 German 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.

Even before the Potsdam Protocol was signed the United States had considered the desirability of negotiating with the United Kingdom, France, and the U.S.S.R. a 25-year treaty which would guarantee that there could be no resurgence of German militarism. Secretary of State James F. Byrnes took the initiative in proposing such a treaty to Molotov in September 1945 and later to Stalin. Encouraged by their reaction, the U.S. submitted a draft treaty for comment and possible amendment in February 1946. The three Western powers supported the idea of such a demilitarization treaty at the Paris session of the Council of Foreign Ministers in 1946 and at the Moscow session in 1947, and the U.S. agreed to a 40-year term for the treaty when Molotov objected that the proposed 25-year period was not long enough. The Soviet Union, however, effectively killed the negotiations for such a treaty by trying to tie into it numerous extraneous and controversial issues.

While these negotiations were proceeding, the United States was putting into effect, in its own zone of Germany, the provision of the Potsdam Protocol. In that zone the German armed forces and all related organizations had been disbanded in 1945 and had been prohibited by law from re-forming. By the fall of 1947 all known war material had been collected, inventoried, and either destroyed or, when possible, converted to peacetime uses. By the end of 1948 the United States occupation authorities had destroyed or dismantled and delivered as reparations all industrial plants especially constructed for the production of tanks, general armament, aircraft, war explosives, and poisonous war substances, and all underground plants. The Soviet refusal to treat Germany as an economic unit necessitated a revision upward of postwar plans with respect to the level of industry in the U. S. Zone of Germany, but by the end of 1950 the removal of industrial capital equipment in the U.S. Zone had been substantially completed in line with the revised level-of-industry plan.

The decision to put arms once again in the hands of German forces was made by the Government of the Soviet Union. On May 23, 1950, the United States protested to the U.S.S.R. against the remilitarization of the Soviet Zone, calling attention to the fact that some 40,000 to 50,000 men in so-called "Police Alert Units" were receiving basic infantry, artillery, and armored training and were equipped with Soviet military weapons.

By the end of 1953 the Soviet Zone, with a population of 17 million, had a "police force" (which totaled 100,000 men) supplemented by an additional 140,200 military personnel, including three mechanized divisions and an air force. A strong protest concerning this development was made by Secretary of State Dulles to Foreign Minister Molotov at the Berlin meeting of Foreign Ministers in February 1954. This was more than a year before the establishment of an armed force in the Federal Republic, which had 150,000 regular police and a population of 50 million. The Western powers—the United States, the United Kingdom, and France—recognized that the rearmament of German forces in the Soviet Zone had brought about a situation of basic insecurity in West Germany, a situation aggravated in the extreme by the postwar Communist

takeover in Poland and Czechoslovakia and the Communist aggression in Korea which had begun in June 1950.

The final Act of the London Nine-Power Conference, October 3, 1954, provided for the end of the occupation regime in the Federal Republic and for the association of the Federal Republic with the West as a member of the North Atlantic Treaty Organization and the Treaty of Western European Union (Brussels Treaty).

Upon her accession to the North Atlantic Treaty and the Brussels Treaty, the Federal Republic declared at the London Conference that she would “refrain from any action inconsistent with the strictly defense character of the two treaties [and would never] have recourse to force to achieve [ . . . ] reunification [ . . . ] or [ . . . ] modification of [her] present boundaries. [ . . . ]”

In notes of September 10, 1954, the United States, the United Kingdom, and France assured the Soviet Union that “the association of the German Federal Republic [ . . . ] in a defense system long after the rearming of Eastern Germany, far from constituting a threat to European security, is intended to prevent any nation from having independent recourse to the threat or use of force. This is the best guarantee for the security of all Germany's neighbors, of Germany herself and of Europe as a whole.”

President Eisenhower made the same point abundantly clear during the Geneva Conference of 1955 when he said “in no case are any parts of the forces allowed to Germany complete or whole within themselves. They are all intertwined with the forces of the other Western nations, making it impossible for them to conduct any effective military operation by themselves.”

In addition to the limitations placed upon the Federal Republic's capability for independent military action as a member of the interdependent NATO command structure, there are the voluntary undertakings of the Federal Chancellor (Protocol No. III of the revised Brussels Treaty) not to manufacture in the territory of the Federal Republic atomic, biological, or chemical weapons. The Federal Chancellor also renounced the production of long-range missiles, guided missiles, warships, with the exception of smaller ships for defense purposes, and strategic bombers.

Source: Analysis by the Department of State of the Soviet Note on Berlin (January 7, 1959); reprinted in *Documents on Germany, 1944-1959: Background Documents on Germany, 1944-1959, and a Chronology of Political Developments affecting Berlin, 1945-1956*. Washington, DC: General Printing Office, 1959, pp. 415-39.