

From Cooperation to Alternative Settlement:
The Allies and the "German Problem"
1941-1949

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Abstract

This study deals with Allied policy for postwar Germany during the Second World War (1941-1945) and the Allied occupation (1945-1949). It is shown that the ideological division and the conflicting objectives of the occupation powers led to a disintegration of cooperation between the occupation powers, and resulted in the division of Germany as an alternative settlement to the "German Problem". The evidence is based on the available government documents, eye-witness accounts, and secondary sources.

Abrégé

Cette étude se concerne avec la politique de l'après-guerre des Alliés envers l'Allemagne pendant la Deuxième Guerre Mondiale (1941-1945) et la période d'occupation (1945-1949). Il es décrit que la division idéologique et le conflict des objectifs des autorités de l'occupation a amené une disintégration de la coopération entre ces autorités et a abouti à la division de l'Allemagne comme un alternatif pour résoudre le "Problème Allemand". Les preuves sont temoignés de les documents gouvernementale disponible, des comptes-rendus des attestants, et des sources secondaires.

Introduction

Several scholarly works have been written on the "German Problem", the problem of how Germany was to be restored after the Second World War, and the "German Question", the question of how and when the reunification of the two German states, the BRD and the DDR, would take place. Some are surveys of the causes for the postwar division of Germany. One of the most recent books written in English on this subject is J.K. Sowden's survey, The German Question 1945-1973 (1975), which provides an overview of relations between Germany and the occupation powers from the Allied discussions on Germany during the Second World War and postwar developments of the "German Problem", to the developments of the superseding "German Question". The most recent discussion in German that deals specifically with the division of Germany in relation to the conflict between the occupation powers leading to the creation of two German states is Die Deutschlandfrage und die Anfänge des Ost-West Konflikts 1945-1949 (1984) by Alexander Fischer et al. Lothar Kettenacker's Krieg zur Friedenssicherung (1989) only provides the latest account of on Allied deliberations on Germany during the Second World War. The first detailed study of Allied policy for postwar Germany during the Second World War and of the four-power occupation is Harold Strauss' political-science dissertation, "The Division and Dismemberment of Germany: From the Casablanca Conference (January 1943) to the Establishment of the East German Republic (October 1949)" (1952); this work was produced before government documents that provide first-hand accounts of the Allied discussions on postwar Germany were released,

and does not discuss the "sovietisation" of the Soviet occupation zone. Other sources which provide an overview of Allied discussions on postwar Germany do not provide an in-depth study of Allied deliberations and policies from 1945 to 1949, and do not emphasise the ideological division between the occupation powers as a cause for the division of Germany. The role of the French in relation to the "German Problem" is discussed in Die Deutschlandpolitik Frankreichs und die französische Zone by Claus Scharf and Hans-Jürgen Schröder, and The French in Germany by F. Roy Willis, while other sources understate the subject.

Memoirs of policy-makers and other eye-witness accounts of those who were involved in the process of seeking to implement a solution to the "German Problem" have been published since the end of the Second World War, and documents which provide the inside view of the Allied discussions on Germany have since been released. These include the memoirs of many who were directly involved in policy-making decisions and inter-Allied discussions. Memoirs used in this study include those written by: Prime Minister Winston S. Churchill, Foreign Secretary Anthony Eden, Secretary of State James F. Byrnes, Secretary of State Cordell Hull, General Lucius D. Clay, Wolfgang Leonhard, and Philip E. Mosely.

This study is primarily based on first-hand accounts which recount the Allies' plans and discussions for postwar Germany. The most useful sources include: the Foreign Relations of the United States series; collections of documents are compiled in Documents on Germany: 1944-1961,

Documents on Germany under Occupation: 1945-1954, Germany 1947-1949: The Story in Documents, Documents on Berlin: 1943-1963, Selected Documents on Germany and the Question of Berlin: 1944-1961, Dokumente zur Deutschlandpolitik, British Cabinet Papers, Postwar Foreign Policy Preparation: 1939-1945, and Documents on International Affairs; the French proposals are presented in the Documents Français Relatifs a l'Allemagne; and sources pertaining to the Soviet occupation zone are: Dokumente aus den Jahren 1945-1949: Um ein antifaschistisch-demokratisches Deutschland, SBZ von 1945 bis 1945: Die Sowjetische Besatzungszone Deutschlands in den Jahren 1945-1954, and Die Revolution entlässt ihre Kinder. Apart from the New Times of Moscow, which mainly served Soviet propaganda purposes, primary sources that pertain to the perspective of Soviet policy in postwar Germany are not presently accessible. There is still some uncertainty concerning Soviet postwar planning and policy, particularly regarding the distinction between Soviet initiatives and reactions to the policies of the Western Allies. The available western sources that have been used in this study have shaped the understanding of Soviet policy in regard to postwar Germany.

The focus of this study is on Western Allied policy for postwar Germany, beginning with an overview of Allied wartime deliberations, followed by a concentration on the policies and objectives of the occupation powers from 1945 to 1949. The purpose of this study is to examine the causes for the division of Germany into two separate states as a consequence of the Second World War by tracing the development of Allied

planning for postwar Germany from 1941 to 1949, and to demonstrate how the postwar conflict between the occupation powers influenced the division of Germany. It will be seen that the wartime Allies were united in their effort to defeat Nazi Germany and pledged to continue to cooperate in bringing about measures to restore a democratic German state and prevent renewed German military aggression. Although the Allies agreed to a joint solution to the problem of what should be done with Germany after the war, the wartime spirit of cooperation rapidly disintegrated in the postwar international situation, and consequently led to the implementation of an alternative provisional settlement.

The Deliberations Begin - 1941-1944

Deciding what was to be done about Germany after it had been defeated in the Second World War, or the "German Problem", was the subject of various proposals in the course of the war. Although these proposals took various forms, they were characterised by a common objective - to prevent the resurgence of German military aggression by setting up the necessary safeguards for peace. Proposals for policies concerning the treatment of postwar Germany between 1941 and 1944 took place at two levels: the government leaders of the principal Allies and Allied experts who served in an advisory capacity to their governments. The leaders of the "Big Three" Allies, the United States, Great Britain, and the Soviet Union, considered the dismemberment of Germany to be an appropriate means of attaining this objective, since they believed that keeping Germany weak and divided would prevent its ability to engage in military aggression. Allied advisors, on the other hand, concluded that dismemberment was impractical, and recommended that Germany as a whole should be reconstructed on democratic lines rather than partitioned. In spite of the detailed studies that were advanced by the experts, Allied leaders did not take their arguments into consideration, and discussed plans for Germany that had been formulated on their own initiative. Apart from agreeing to act in concert on postwar planning, no official Allied policy on the treatment of postwar Germany was set before 1945.

The first Allied talks on the subject of dismembering Germany took place during the visit of the British Foreign Secretary, Anthony Eden, to Moscow in December 1941 in connection with discussions on postwar boundaries. Stalin

suggested that Poland's eastern boundaries should be set at the Curzon Line and compensated with German territory in the west; the Rhineland and possibly Bavaria be set up as autonomous states; the Sudetenland be returned to Czechoslovakia, and that Austria be restored as a sovereign state.¹ However, the meeting was devoted primarily to discussions on a projected Anglo-Soviet treaty, and proposals on Germany would not be placed under serious study before Eden consulted with the British and American governments.²

The problem of dealing with postwar Germany was placed under study in America soon after its entry into the Second World War. In January 1942, President Roosevelt appointed an Advisory Committee on Postwar Foreign Policy which evaluated the efficacy of dismembering Germany as a means or supplement for international control of Germany.³ This committee consisted of various representatives of the U.S. government (senators and Congress representatives, the Departments of State, War, and Navy, the Joint Chiefs of Staff, the White House staff, the Library of Congress, wartime and continuing agencies of the U.S. government) and certain outstanding individuals from private and public life, such as Hamilton Fish Armstrong, editor of Foreign Affairs, Mrs. Anne O'Hare

1. Anthony Eden, The Reckoning (London: Cassell & Co., 1965), p.289.

2. Cordell Hull, The Memoirs of Cordell Hull vol.II (New York: MacMillan, 1948), pp.1165-1167.

3. Philip E. Mosely, "Dismemberment of Germany: The Allied Negotiations from Yalta to Potsdam", Foreign Affairs April 1950, 28, p.488.

McCormick, foreign affairs analyst of the New York Times, and James Thomson Shotwell, historian and Director of of the Division of Economics and History of the Carnegie Endowment for International Peace,⁴ worked in conjunction with a staff of researchers⁵ to study world problems and submit practical recommendations for American postwar policy to the President through the Secretary of State.⁶ The committee considered various plans for dismemberment, such as partitioning Germany into three, five and seven separate states based on analyses of the political, economic and demographic factors that were involved.⁷ The committee members unanimously rejected the notion of partitioning Germany in the final analysis. They concluded that dismemberment would not serve as a safeguard against military aggression since such a vindictive measure would only turn the Germans against the Allies. Partitioning Germany would impede the development of a democratic spirit and the coordinated administration of its economic resources. Moreover, since an imposed division of the country would be artificial, it would be necessary to maintain the dismemberment by force indefinitely, and they therefore recommended that constructive measures be applied to Germany instead of dismemberment. These included: preventing German

4. Harley Notter, ed., Postwar Foreign Policy Preparation: 1939-1945 (Westport: Greenwood Press, 1975), pp.72-73.

5. Ibid., p.149.

6. Ibid., p.69.

7. Mosely, "Dismemberment", p.488.

rearmament, promoting the development of democratic institutions, decentralising the federal political structure, promoting German economic recovery, assimilating Germany into the postwar international community, and presenting tolerable peace terms with a "minimum of bitterness" in order to prevent future nationalistic upheavals.⁸ However, these proposals were not accepted by the head of the committee, Undersecretary of State Sumner Welles, who was personally convinced that peace depended on the partitioning of Germany and therefore did not forward the committee's conclusions to President Roosevelt.⁹

Welles produced his own plan for postwar Germany, which advocated giving East Prussia to Poland, and dividing the remainder of Germany into three separate states whose boundaries would be "...determined primarily by 'cultural, historic and economic factors...".¹⁰ A new predominantly Catholic southern German state would be created, comprising Bavaria, Württemberg, Baden and Hesse-Darmstadt, together with those regions that could be roughly defined as the Rhineland and the Saar. Two other predominantly Protestant states would be formed in northern Germany. One would consist of the former German sub-divisions of Upper Hesse, Thuringia, Westphalia, Hanover, Oldenburg, Hamburg and the smaller sub-divisions contiguous to them. The other would be composed

8. Notter, Postwar Foreign Policy Preparation, pp.554-560.

9. Mosely, "Dismemberment", p.489.

10. Sumner Welles, The Time for Decision (New York: Harper & Brothers, 1944), p.352.

of Prussia (apart from East Prussia), Mecklenburg and Saxony. In Welles' view, these new states would maintain the religious, historical and cultural divisions that existed for centuries prior to the creation of the Third Reich,¹¹ and thereby prevent Germany from waging military aggression. Welles believed that Germany became a threat to peace as a result of two major developments in its history which he thought were inter-connected: the belief "...in German militarism as the supreme glory of the race," and "...the centralization of authority over all the widely divergent peoples of the German race."¹²

By breaking up the concentration of power in Germany through dismemberment, Welles believed that German militarism would be undermined and eliminated. Yet, Welles' plan did not consider certain consequences of dismemberment that the Advisory Committee had considered. Partitioning meant reversing the forces that had brought about the integration of the various German states which had come to be organised as a single solid unit. They believed that breaking up this unit would destabilise the organisation and management of the national economy, and maintaining dismemberment by a prolonged Allied occupation in order to block a nationalist sentiment for an eventual reunification would prove to be lengthy and costly.

Although government committees worked out proposals for the Allies' treatment of postwar Germany, they were merely

11. Ibid.

12. Ibid., p.347.

recommendations forwarded by advisors to their governments. Their conclusions remained in the background until after the German Problem was discussed at the top levels of government. Roosevelt insisted that partitioning Germany was necessary for maintaining peace. The experts of the Advisory Committee on Postwar Foreign Policy argued that partition would have undesirable effects and could lead to a reunification of Germany, but Roosevelt believed that these possibilities were exaggerated. Roosevelt thought that he knew Germany better than his advisors. However, he also thought that a plan for partition could be abandoned after it had been imposed, depending on its consequences - "...the whole transitional period would have to be one of trial and error."¹³

Dismembering Germany was discussed during Eden's visit to Washington in March 1943. Eden raised the question of whether a defeated Germany was to be divided into several independent states or maintained as a single entity. Roosevelt reasoned that Germany could be divided according to separatist trends that would be promoted by the Allies, and thus bring about a division that represented German opinion. Both Eden and Roosevelt agreed that Germany should be divided into several states. One of these states would have to be Prussia,¹⁴ presumably to eliminate its apparent predominant influence in Germany and the cause for its aggressive militarist impulses. The Soviet ambassadors in Washington and

13. Hull, Memoirs, pp.1265-1266.

14. Robert E. Sherwood, Roosevelt and Hopkins: An Intimate History (New York: Harper and Brothers, 1948), p. 711.

London both made references to the fact that the Soviet Union also favoured the partition of Germany.¹⁵ Litvinov, the Soviet Ambassador to Washington, mentioned in a conversation with Harry Hopkins that he was sure that his government would like to see Germany dismembered, stating that Prussia should be removed from the rest of Germany and two or three additional states should also be created. Eden told Hopkins of a conversation he had just before leaving for Washington with Maisky, the Soviet Ambassador to London, who also said that Germany should be broken into separate states.¹⁶

Partitioning Germany was discussed briefly during the first Quebec Conference on 17 August 1943 in an informal conversation between the U.S. Secretary of State Cordell Hull and Eden. They both believed that a forced partitioning of Germany would have to be maintained by force, as it would open the way to a nationalist sentiment for reunification. Eden stated that some members of the British government favoured partitioning Germany, but personally, as well as the British Cabinet in general, he doubted the practicability of carrying it out, unless it could take place voluntarily. Hull was also in favour of such a "natural disunion", elaborating on the difficulties and dangers that forced partition involved. An imposed dismemberment of Germany could bring about a revival of nationalism under a national slogan for union, and a national economy had to exist to support the

15. Ibid., p.713.

16. Ibid.

entire population of Germany.¹⁷

The first real progress on the question of Allied planning for postwar Germany was made at the Moscow Conference of Foreign Ministers (18 October - 1 November 1943), where the foreign ministers of the Big Three, Anthony Eden (United Kingdom), Cordell Hull (United States), and Viacheslav Molotov (Soviet Union), met to discuss military strategy and postwar political planning. It was at this conference that representatives of the Big Three first forwarded and discussed cogent and constructive plans for the treatment of postwar Germany.

On 23 October, Hull presented a draft memorandum dealing with the postwar treatment of Germany produced by State Department entitled "The Political Reorganization of Germany". This memorandum represented the first comprehensive statements on the American government's view of what it considered should be done about and in Germany. Proposed policies included: empowering the United Nations with supreme authority in Germany; setting up an Inter-Allied Control Commission to supervise the terms of surrender; placing Germany under occupation by forces of the Big Three Allies; making Germany responsible for paying reparations; eliminating all vestiges of Nazism; and ensuring the total

17. Hull, Memoirs, p.1233.

disarmament of Germany.¹⁸

The British Foreign Office held similar views, advocating that the Allies use the "minimum necessary" safeguards and re-admit a reformed Germany into the life of postwar Europe. These safeguards involved disarming Germany and preventing rearmament. Although dismemberment was a possible option for preventing German aggression, Eden believed that the Allies would have to use force to prevent a reunification of separate German states. A more practical option was to lay the basis for a decentralised political structure, i.e re-organising Germany on a federal basis. Germany should also revert to its pre-Anschluss boundaries; direct control was to be imposed on German war industries; and the three major Allies should jointly police and administer Germany under a total occupation, under which the the three Allies would each occupy a separate zone of occupation, governed individually by a Supreme Allied Commander and jointly for Germany as a whole in a kind of coordinating body, which would supervise the execution of jointly-formulated surrender terms for Germany, until a democratic German government was restored.¹⁹

The foreign ministers discussed the Hull memorandum at

18. Foreign Relations of the United States (FRUS), Diplomatic Papers, 1943, Vol.I: General (Washington: U.S. Government Printing Office, 1963), pp.720-723. See also Memoirs of Cordell Hull, vol.II, p.1284.

19. "Memorandum by the Secretary of State for Foreign Affairs", British Cabinet Papers (CAB) (66), WP (43) 421, 27 September 1943, pp.1-3.

the 25 October session of the conference. Using the memorandum as a basis for discussion, they agreed on the major points, such as unconditional surrender, the occupation of Germany by the Big Three, the creation of an inter-Allied commission, the total disarmament of Germany, the dissolution of Nazism, that East Prussia should be separated from Germany, and that Germany should elsewhere revert to its 1937 frontiers.²⁰ Although British and American government advisors were opposed to partitioning Germany, the issue remained as a possible course of action. Eden reported that the British government preferred to divide Germany into separate states, but was divided over the desirability of imposing a forcible partition.²¹ Hull stated that while he was personally against dismemberment, it had found favour in "high quarters",²² i.e. the highest level, in the United States government. Molotov reported that the Soviet government supported the Hull memorandum, but had no proposals to add, as Soviet leaders were preoccupied with the war effort and therefore had not concentrated on studying the treatment of postwar Germany. Yet, the memorandum would only be regarded as a minimum proposal. Although the subject of dismemberment required further study, the Soviet government considered dismemberment to be a possible measure to render

20. Hull, Memoirs, p.1287.

21. FRUS, Diplomatic Papers, Vol.I: General, p.631.

22. Ibid.

Germany harmless in the future.²³

No attempt was made to reach formal decisions concerning Germany at this conference. The ministers only signed an agreement on 30 October which confirmed that their governments would act jointly in all matters pertaining to the defeat and post-surrender control of Germany and its allies.²⁴ Further consideration on the problem of working out detailed plans dealing with European postwar political questions, such as the administration of liberated territories and formulating peace terms with Germany²⁵ were to be referred to a tripartite inter-Allied committee in London named the European Advisory Commission (E.A.C.).

This new committee was given the task of studying questions regarding postwar Europe and of making joint recommendations to the governments of the Big Three Allies. It would also determine the terms of the surrender that would be imposed by the Allies on the European Axis states, and the control arrangements that would be required to ensure the execution of those terms.²⁶ Having presented the views of their respective governments on military and postwar political planning, the stage was set for Roosevelt, Churchill and Stalin to meet together for the first time to discuss broad policy matters concerning the war and postwar

23. Ibid., p.632.

24. Ibid., pp.755-756.

25. Ibid., p.664.

26. Ibid., pp.756-757.

planning.

The heads of the Big Three presented their own solutions for the German Problem at the Teheran Conference (28 November - 1 December 1943). Roosevelt presented his imaginative plan for dividing Germany into five autonomous states, and three zones to be placed under the control of the United Nations. These five states would consist of: Prussia; Hanover and the Northwest; Saxony, including the Leipzig area; Hesse-Darmstadt; Hessen-Kassel; the South Rhine; and a southern state comprising Bavaria, Baden and Württemberg. The internationalised zones were: Kiel, the Kiel Canal, Lübeck, Hamburg and Bremen; the Ruhr; and the Saar.²⁷ Churchill presented his own plan for a division of Germany along the Mainlinie: a north-south division by an east-west line along the Main river, in order to divide Germany to form a northern Prussian state, and a group of southern German states to be fused with Austria to form a Danubian Confederation.²⁸ Stalin believed that a nationalist sentiment would impel the Germans to re-unite into one country, and therefore partitioning Germany was not a feasible long-term policy, since German re-unification would have to be prevented by force.²⁹ Stalin proposed that Germany's eastern frontiers be altered in order to revise the boundaries of

27. FRUS, Diplomatic Papers: The Conferences of Cairo and Teheran, 1943 (Washington: U.S. Government Printing Office, 1961), pp.600, 602.

28. Ibid., p.602.

29. Ibid., pp.602-603.

Poland and Russia. The boundaries of Poland were to be between the Curzon Line in the east and the Oder and Neisse rivers in the west, while Russia would annex northern East Prussia, including the port city of Königsberg.³⁰ No progress was made on the discussion of any of these proposals. They agreed, however, that post-surrender planning for Germany would henceforth be referred to the newly-formed European Advisory Commission,³¹ and appointed their representatives to the E.A.C. during the conference - Sir William Strang (representative of the Foreign Office of the United Kingdom), Fedor T. Gusev (the Soviet Ambassador to the U.K.), and John G. Winant (the U.S. Ambassador to the U.K.).³² The task of establishing joint Allied post-surrender planning for Germany was thus assumed by this specialised joint "steering committee" which would devote themselves to the matter, and was officially taken out of the hands of Allied leaders who seemed to discuss the matter in a somewhat casual manner.

Concrete proposals for postwar Germany were introduced at the first formal meeting of the E.A.C. (15 January 1944). The British representative submitted a draft surrender instrument and a draft agreement on the zones of occupation as an initial basis for discussion. The draft on zones of occupation, worked out by the Post-Hostilities Planning

30. Ibid., pp.603-604.

31. Ibid., p. 883.

32. Philip E. Mosely, "The Occupation of Germany: New Light on How the Zones Were Drawn", Foreign Affairs (28 July 1950) 28, p.582.

Sub-Committee in the summer of 1943,³³ recommended that Germany would be divided into three separate zones of occupation within its 1937 boundaries and the area of Greater Berlin would be jointly occupied by the three occupying powers. The proposal recommended that all of northwestern Germany, Brunswick, Hesse-Nassau, the Rhine provinces and the areas to the north of them, be placed under British occupation. The areas to be placed under American occupation included the Saar, the Bavarian Palatinate west of the Rhine, Hesse-Darmstadt, Württemberg, Baden and Bavaria. The Soviet occupation zone would consist of the areas east of these two western zones: Mecklenburg-Pomerania, Saxony-Anhalt, Thuringia and the remaining areas to the east. These zonal boundaries were accepted by the three governments, but a dispute ensued between the British and the Americans over the allocation of the western zones. President Roosevelt and American military authorities argued that the redeployment of major American forces to the Far East after Germany's defeat would require American control of the ports of northwestern Germany, and would necessitate lines of communication and transportation through France while American-French military relations were not cordial. The British retorted that the redeployment of American forces to the northwest and British

33. Winston S. Churchill, Triumph and Tragedy (Boston: Houghton Mifflin, 1953), pp.507-508. The Post-Hostilities Sub-Committee served as a sub-committee of the military Chiefs of Staff Committee to deal with postwar military problems, such as methods of disarmament, enforcing armistice terms, and administering and governing occupied areas. CAB 66 (39) WP (43) 351, 31 July, 1943, p.3.

forces to the southwest would cause logistical problems, as British forces were to advance through the Low Countries and into northern Germany, whereas American forces were to advance through central and southern Germany. In response, the Americans argued that this would become invalid as their combat forces were to be transferred to the Far East after the end of hostilities in Europe.³⁴

Having been unable to reach an agreement on the allocation of the western zones and western occupation sectors in Berlin, the E.A.C. signed a draft Protocol on zones on 12 September to be submitted to the three governments at the Second Quebec Conference as the deadlocked matter stood. The Protocol defined the three zones of occupation in Germany and the three sectors in Berlin. The eastern zone and sector were allocated to Soviet occupation while blank spaces were left for inserting mention of the two western occupation forces.³⁵ This dispute was finally settled at the conference. President Roosevelt agreed that Britain was better equipped and situated for ensuring the naval disarmament of Germany; close liaison had already been formed between the Royal Air Force and the Dutch and Norwegian air forces which were trained by the British, and a British occupation of the northwestern zone would facilitate this liaison after the war; the United States would be responsible

34. Mosely, "The Occupation of Germany", p.590.

35. FRUS, Diplomatic Papers: The Conferences of Malta and Yalta, 1945 (Washington: U.S. Government Printing Office, 1955), pp.118-121.

for re-equipping the French forces; and since the plans for the invasion of Normandy had already been drawn, it was too late to plan the re-deployment of the British and American forces.³⁶

The Second Protocol on Zones was finally ratified by the E.A.C. on 14 November. In accordance with the amendments that were agreed to at the Second Quebec Conference: the Saar and Palatinate region, to the west of the Rhine, was transferred to the British zone, while Hesse-Kassel and Hesse-Nassau were shifted to the American zone; in order to meet the American demand for a German port to redeploy their forces, an enclave consisting of the ports of Bremen and Bremerhaven, and the necessary staging areas in the immediate vicinity would be placed into American control; and passage through the British zone would be allowed to provide access to the American zone from the western and northwestern ports.³⁷

As the E.A.C. was given the responsibility of negotiating Allied policies regarding surrender and post-surrender plans for Germany, the American Department of State began to work on formulating a definite American policy concerning postwar Germany. An inter-divisional committee on Germany created by the Department of State made an intensive study of postwar policy toward Germany in the autumn and winter of 1943-1944. Its conclusions and recommendations were forwarded to the State Department's

36. Hull, Memoirs, p.1611.

37. FRUS: The Conference at Quebec, 1944 (Washington: U.S. Government Printing Office, 1972), pp.391-392.

Postwar Programs Committee, composed of the Department's senior officers and presided over by Undersecretary of State Edward R. Stettinius. This committee produced a basic memorandum on Germany in early May 1944, which was forwarded to and approved by Secretary Hull in July.³⁸

The U.S. State Department reviewed the advantages and disadvantages of dismemberment, and concluded with arguments against the forcible partitioning of Germany. The Department's memorandum recommended that a restored German state should be based on a federal character with reduced central control wherever possible, especially in the spheres of education and the police. It expressed profound doubt that partitioning of the country would be supported by the German population, and stressed the potential dangers that it involved. A forcible imposition and maintenance of dismemberment would hinder the future development of democratic institutions, since governments representing the popular will would strive to restore national unity. Imposed partition would further complicate the problem of maintaining disarmament and demilitarisation, as the Allies would be divided among themselves in the separate states. A dismembered Germany could also not become economically viable. The re-combined economic potential of every separate German state after they had developed their economic strength to the fullest would result in a total economic strength would be greater than before. Partitioning could also lead to individual separate states coming under the influence of

38. Mosely, "Dismemberment", p.490.

outside powers, which could exploit German nationalism by promising to work for the reunification of Germany. The Allies had already agreed in principle to undertake a joint occupation of Germany by dividing Germany into three separate zones of occupation. In order to avoid a division of Germany between the three occupying powers, they were to agree on common policies that would govern the Allies' treatment of postwar Germany, and thereby prevent a de facto partition between the Allies.³⁹

Although the U.S. Department of State and the E.A.C. had made progress on working out viable plans for postwar Germany, independent deliberations continued to take place at the top level of the American government. The memorandum worked out by the U.S. Department of State represented its own policy regarding postwar Germany, but not the policy of the American government.⁴⁰ The State Department's policy came into conflict with the most stringent punitive plan that had been brought forward up to this time - the notorious "Morgenthau Plan" for the de-industrialisation, and partitioning of Germany.⁴¹

Henry Morgenthau, the U.S. Secretary of the Treasury, presented his plan for reducing Germany to a state of indigence at the Second Quebec Conference (13-17 September 1944). Morgenthau was convinced that Germany would inevitably

39. Notter, Postwar Foreign Policy Preparation, pp.558-560.

40. Mosely, "Dismemberment", p.491.

41. Ibid.

continue to wage military aggression unless the industrial base of its military potential was completely eliminated. Hence, its heavy industry was to be rendered inoperative by either being placed under international control, destroyed, or dismantled and dispatched as reparations. Partitioning of Germany was also recommended as a means of bringing the country under more effective control. In short, the plan recommended: the division of Germany into two separate autonomous northern and southern states; Poland was to receive southern Silesia and the part of East Prussia not taken over by the Soviet Union; French annexation of the Saar and the Palatinate; the Ruhr and the surrounding industrial areas, such as the Kiel Canal and the Rhineland, were to be placed under international control; while the remaining areas were to be "pastoralised", i.e. deprived of all heavy industry.⁴²

Allied troops at this time were poised to break into Germany, but the questions of the occupation of the western zones and the policies to be implemented in the forthcoming occupation were still unresolved. On 25 August, the American Secretary of War, Henry L. Stimson, advised Roosevelt to appoint a Cabinet Committee on Germany to assimilate the work that had been prepared. Thus, a committee was appointed consisting of Secretaries Hull, Stimson and Morgenthau, with the later addition of the President's advisor Harry

42. Henry Morgenthau Jr., Germany is Our Problem (New York: Harper & Brothers, 1945), pp. 1-4.

Hopkins.⁴³ The committee held a preliminary meeting on 2 September and voted unanimously to support many features of policy prepared by the Department of State, such as demilitarisation, the dissolution of the Nazi Party, punishment of war criminals, and the acceptance of the principle of reparations to other states, but not to the United States. However, disagreement arose over the issue of destroying German industry,⁴⁴ namely the drastic proposals that were forwarded by Morgenthau.

Stimson argued that the de-industrialisation of Germany by turning the Ruhr and the Saar industrial regions into agricultural land would threaten the industrial and economic livelihood of Europe as a whole, which depended on the production of raw materials from these regions. These regions produced the largest supply of raw materials exported to Russia, Norway, Sweden, Denmark, Holland, Switzerland, Italy, Austria-Hungary, Rumania and Bulgaria; and the second largest to Great Britain, Belgium and France. By the same commerce, which resulted mainly from this production, Germany became the best buyer of goods from Russia, Norway, Holland, Belgium, Switzerland, Italy and Austria-Hungary; and the second-best buyer of goods from Great Britain, Sweden and Denmark. It therefore followed that obliterating German industry would be detrimental to all of Europe, and stall the postwar economic recovery of Europe as a result. Holding the

43. Henry L. Stimson and McGeorge Bundy, On Active Service in Peace and War (New York: Harper & Brothers, 1948), p.569.

44. Ibid., p.570.

German population to a "subsistence level" would create tension and resentments that "...would tend to obscure the guilt of the Nazis."⁴⁵ In conclusion, Stimson argued that the use of such economic oppression would breed rather than prevent war; it would arouse sympathy for Germany throughout the world; and the resources that would be needed desperately for the reconstruction of Europe would be destroyed.⁴⁶ Morgenthau countered these arguments by asserting that Europe did not need a strong industrialised Germany, and that sealing up the Ruhr would allow Britain to replace Germany as Europe's industrial base. The Department of State sided with the Department of War, arguing that Morgenthau's plan was one of blind vengeance that would cripple the economic stability of Europe as a whole as well as Germany. The forcible partitioning that Morgenthau advocated was also rejected, since the high degree of economic, political and cultural integration of Germany would necessitate the enforcement of the partition by force for an indefinite period, in order to restrain the nationalist sentiment to reunite.⁴⁷

The Morgenthau Plan was given official support in spite of these rational arguments. On 15 September, Roosevelt and Churchill endorsed Morgenthau's recommendations for the de-industrialisation of the Ruhr and the Saar in order to

45. Ibid., pp.571-573.

46. Ibid., pp.574-575.

47. Hull, Memoirs, pp.1606-1607.

prevent German rearmament,⁴⁸ but without considering the drastic long-term economic implications of the plan. Roosevelt was not convinced by Stimson's arguments since he felt that the peace plan that was prepared for Germany by government experts was too lax. This may be indicated by his attitude regarding the matter, as is evidenced by his remarking that "...some well-meaning but misguided officials of the State Department were planning a soft peace for Germany."⁴⁹ His attitude may be substantiated in the light of his comments on the handbook written by the U.S. Department of War for the guidance of military government officials in Germany. On 26 August 1944, Roosevelt sent a long memorandum to Stimson and Hull protesting that the Germans should not receive any assistance for postwar recovery:

It gives the impression that Germany is to be restored just as much as The Netherlands or Belgium, and the people of Germany brought back as quickly as possible to their prewar estate. It is of the utmost importance that every person in Germany should realize that this time Germany is a defeated nation. I do not want them to starve to death, but as an example, they should be fed three times a day with soup from Army soup kitchens.⁵⁰

48. Lothar Kettenacker, Krieg zur Friedenssicherung: die Deutschlandplanung der britischen Regierung während des Zweiten Weltkrieges (Göttigen: Vandenhoeck & Ruprecht, 1989), p.427.

49. James F. Byrnes, Speaking Frankly (New York: Harper & Sons, 1947), p.181.

50. Hull, Memoirs, pp.1602-1603.

Churchill was violently opposed to the Morgenthau Plan at first, which would permanently cripple the German economy and would leave Britain "chained to a dead body". Morgenthau then discussed the subject with Lord Cherwell, Churchill's personal assistant, who persuaded Churchill to support the plan, on the premise that Britain would acquire Germany's iron and steel markets by eliminating the competition from Germany.⁵¹ According to Hull, Churchill's adherence to the plan may also have been influenced by Morgenthau's arbitrary offer of credits to Britain totaling six and a half billion dollars, which had been made without attaching any conditions or consulting any appropriate government official in the Department of State or the Congress.⁵² Morgenthau claimed that there had been no connection between credits for Britain and Churchill's acceptance of the plan, but obtaining credits was clearly Churchill's principal non-military objective at the conference.⁵³

The ratification of the Morgenthau Plan sparked immediate opposition from other members in the top levels of government. Eden chastised Churchill for having given his approval.⁵⁴ Although there were convincing arguments for weakening Germany's economy as a security measure, Eden argued that Germany's inability to manufacture would also

51. Ibid., p.1615.

52. Ibid., pp.1617-1618.

53. Ibid., p.1615.

54. Ibid.

make it unable to pay for imports. This would weaken world trade along with British exports, and therefore undermined Morgenthau's claim that his plan would benefit Britain's economy.⁵⁵ Hull also disapproved of the decision to accept the plan, which would not only punish the entire German population and future generations for the crimes of a segment of them, it would also punish most of Europe.⁵⁶ The plan was also ill-prepared, as no experts or appropriate officials of the American or other governments had taken part in its preparation. As Allied representatives at the Moscow and Teheran Conferences agreed that Big Three planning for postwar Germany would be worked out on a tripartite basis in the European Advisory Commission,⁵⁷ Churchill and Roosevelt had acted with complete disregard for these agreements. In an effort to block the decision by stalling its implementation, Hull sent a memorandum to Roosevelt on 29 September suggesting that "...no decision should be taken on the possible partition of Germany until we see what the internal situation is and what is the attitude of our principal Allies on this question."⁵⁸

The two leaders soon realised their short-sightedness in ratifying the plan. Their support for the plan had been given without consideration for its long-term repercussions, and

55. Eden, The Reckoning, p.476.

56. Hull, Memoirs, p.1611.

57. Ibid., pp.1616-1617.

58. FRUS: The Conferences of Malta and Yalta, p.157.

later they withdrew their support. Churchill claimed that he had not had the time to examine the Plan in detail, and that he later withdrew his support for it after it had been considered by the War Cabinet.⁵⁹ Roosevelt did not seem to realise the extent to which he had committed himself to the Plan, having had only intended to help Britain restore its economic livelihood after hostilities had ended.

Following Hull's criticism of the Plan's ratification, Roosevelt sent a memorandum to Hull stating that: "The real nub of the situation is to keep Britain from going into complete bankruptcy at the end of the war...I just cannot go along with the idea of seeing the British Empire collapse financially, and Germany at the same time building up a potential rearmament machine to make another war possible in twenty years. Mere inspection of plants will not prevent that."⁶⁰ Roosevelt believed that Britain would need to restore its export trade after the war, but would not be able to do so with competition from Germany. However, American and British government officials, including Hull, Stimson, and Sir David Waley, one of the leading officials in the British Treasury, pointed out that wrecking Germany's industrial productive capacity would ruin the economy of Europe as a whole, and would thereby impair the economic recovery of

59. Churchill, Triumph and Tragedy, p.157.

60. Hull, Memoirs, pp.1619-1620.

Britain as well.⁶¹ On 3 October, Roosevelt admitted to Stimson that he had had "no idea" how he had been induced to support the plan, and had "...evidently done it without much thought."⁶² His support was withdrawn on 20 October in a memorandum to Hull, agreeing that all decisions regarding partition and economic objectives would be postponed until after the occupation had begun.⁶³

The Morgenthau Plan, like other plans for dismembering Germany, was dismissed as being more vindictive than realistic. Churchill recalled after the war that such attempts to draft programs for postwar Germany were pervaded by a spirit of wartime animosity that were undoubtedly unrealistic: "I remember several attempts being made to draft peace conditions which could satisfy the wrath of the conquerors against Germany. They looked so horrible when set forth on paper, and so far exceeded what was in fact done, that their publication would only have stimulated German resistance. They had in fact only to be written out to be withdrawn."⁶⁴ Cogent and realistic proposals that had been placed under serious study and consideration had been produced, but no official Allied plans for postwar Germany had yet been agreed upon. The E.A.C. worked out the terms of

61. Ibid., p.1621. See also Kettenacker, Krieg zur Friedenssicherung, p.429.

62. Stimson, On Active Service, p.581.

63. FRUS: The Conferences of Malta and Yalta, pp.158-159.

64. Winston S. Churchill, The Hinge of Fate (Boston: Houghton Mifflin, 1950), p.689.

surrender for Germany and plans for its military occupation and administration, but official Allied policies that were to be carried out through this E.A.C. machinery were not set. These policies would only be worked out shortly before and after Germany's defeat.

The Stage is Set - the Conferences of Yalta and Potsdam

The preliminary work on the Allied treatment of postwar Germany was formulated by the European Advisory Commission. Although the governments that were represented in the E.A.C. confirmed its agreements on the pattern of the postwar Allied occupation of Germany, detailed plans for the occupation were not made. The Allied course of action on postwar Germany would be set by the leaders of the Big Three Allies at the Yalta and Potsdam Conferences, at which the final planning for the joint Allied occupation and administration of Germany was formulated. The notion of dismembering Germany, which had been predominant throughout discussions at the top-level, was effectively rejected by the end of the war. The Allied blueprint for the reconstruction of postwar Germany set down plans for Germany to be rebuilt as a unified democratic nation under the direction of the Allied occupation government, which was to undertake joint policies until German sovereignty was restored.

The E.A.C. laid out the first inter-Allied agreements for postwar Germany: a draft instrument on the unconditional surrender of Germany, produced on 25 July 1944; a protocol on the Allied zones of occupation in Germany and the administration of Greater Berlin,¹ signed by the E.A.C. representatives on 12 September 1944, and on 14 November 1944 to adopt amendments made at the Second Quebec Conference; and a protocol on Allied control machinery, signed on 14 November 1944. These three documents were accepted by the governments

1. The territory of "Greater Berlin" as the Berlin area was defined by the law of 27 April 1920.

of the Big Three, and were to lay the basis for the organisation of postwar Germany. However, pressing questions concerning Germany were still unresolved. Faced with the inevitable and imminent German capitulation, the leaders of the Big Three met in a conference at Livadia Palace in Yalta (4-11 February 1945) to discuss postwar planning.

The first matter concerning postwar Germany that was introduced at the Conference was the question of allocating an occupation zone for France. The representatives of the Big Three had decided to allow liberated France to be represented in the E.A.C. on 11 November 1944, soon after they had extended their de jure recognition of General de Gaulle's Provisional Government of the French Republic on 23 October 1944.² Having received recognition of his Free French Movement by the Big Three as the legitimate French government-in-exile, de Gaulle's next fundamental interest was to gain French participation in the control and occupation of Germany.³ Churchill was to play the key role in attaining these demands at the Conference.

At the February 5th meeting of the Conference, Churchill argued that the French should have a zone of occupation in Germany in order to check any future German military aggression in western Europe. Since England could not depend on American forces to be stationed in Europe for an indefinite length of time after the war, and lacked

2. Charles de Gaulle, Mémoires de Guerre: Le Salut 1944-1946 (Paris: Librairie Plon, 1959), p.44.

3. Ibid., p.68.

sufficient resources to contain Germany single-handedly in the west,⁴ French military strength was an essential bulwark against any future German military aggression in western Europe. Roosevelt added credibility to Churchill's argument by stating that he did not expect American forces to be stationed in Europe for longer than two years after the war, since the Congress and current American public opinion would not support maintaining a significant American military force in postwar Europe.⁵

Stalin countered these arguments by stating that France had played an insignificant role in the war, and therefore could not expect to claim equal status with the Big Three. Granting France a zone of occupation would also entail the French government claiming a voice in the Allied Control Council, the committee that would serve as the Allied governing body in postwar Germany. Stalin believed that this would complicate uniform Allied decision-making, since the French would attempt to negotiate their own separate aims. Suggesting a compromise, Stalin proposed that France be given a zone of occupation on the conditions that it be carved out of the already delineated American and British zones and thus leave the Soviet zone unchanged, and that France would not participate in the Control Council.⁶

Roosevelt initially agreed to this proposal, while

4. Churchill, Triumph and Tragedy, p.246.

5. FRUS: The Conferences of Malta and Yalta, p.628.

6. Ibid., p.618.

Churchill and Eden believed that this arrangement would be impractical. Roosevelt later reversed his position and agreed with Churchill that allowing the French to participate in the Control Council would secure de Gaulle's cooperation, and that it was also necessary to ensure a more unified Allied government of Germany. Perhaps due to having gained concessions on the postwar boundaries of Poland, Stalin also agreed to allow the French to participate in the control as well as in the occupation of Germany⁷ without further argument.

The French thus obtained the status of an occupying power in Germany on an equal footing with the Big Three. The demarcation of the boundaries of the French zone would be determined by the E.A.C., and signed by its representatives on 26 July 1945. The agreement on control machinery was also amended on 1 May 1945 to include French participation. The new French zone and the voice of the French in the control of Germany would serve as means of pressing for further concessions. As Stalin had foreseen, the aims of the French would conflict with those of the Big Three, since the primary aims of the French were provisions for the dismemberment of Germany that were reminiscent of the disavowed Morgenthau Plan, such as separating the territories on the left bank of the Rhine from Germany and placing the Ruhr basin under international control.⁸ Before the French could actually take part in postwar planning for Germany, confusion on this

7. Ibid., p.900.

8. De Gaulle, Mémoires de Guerre, p.68.

subject was brought about by the Big Three themselves.

Faced with a subject that had been prominent in previous discussions, but only as an exchange of views, Stalin proposed on February 5th that the delegates make a final decision on the dismemberment of Germany.⁹ Churchill observed that although the three leaders favoured a form of dismemberment, the technical details were too complicated a matter to be discussed at the conference, and therefore proposed that the question be referred to a committee for an analytical study.¹⁰ In turn, Stalin proposed that a dismemberment clause should be included in the E.A.C. surrender document. As it was agreed that this problem should be consigned to further study, both Stalin and Churchill agreed to Roosevelt's proposal to turn the question of the terms of dismemberment over to their foreign ministers for further discussion on developing concrete plans.¹¹ The foreign ministers discussed the inclusion of a dismemberment clause into the terms of the unconditional surrender on the following day. It was agreed that Article 12 of the surrender document produced by the E.A.C., which stated that the Allies would assume complete authority over Germany, was to be amended to include the phrase "and the dismemberment":

9. Ibid., p.611.

10. Ibid., pp.612-613.

11. Ibid., p.616.

The United Kingdom, the United States of America, and the Union of Soviet Socialist Republics shall possess supreme authority with respect to Germany. In the exercise of such authority they will take steps, including the complete disarmament, demilitarization and the dismemberment of Germany as they deem requisite for future peace and security.¹²

On February 7th, the following day, Molotov proposed that the question of dismembering Germany be assigned to a Committee on Dismemberment, consisting of A. Eden, and Ambassadors J.C. Winant and F.T. Gusev. The question of French participation on this new secret committee was to be determined by the committee itself.¹³ However, this new secret committee's representatives could not act without instructions from their respective governments.

The leaders of the Big Three postponed the final determination of policies concerning the "German Problem" until Germany's defeat appeared to be imminent. Although technical studies by committees of experts in the British and American governments had rejected dismemberment, the governments had not made an official decision on the subject. Insightful and cogent proposals had been forwarded by American experts, but Roosevelt disliked "...making detailed plans for a country we do not yet occupy."¹⁴ Churchill shared

12. Wolfgang Heidelmeier and Günter Hindrichs, eds., Documents on Berlin: 1943-1963 (München: R. Oldenburg Verlag, 1963), p.5.

13. FRUS: The Conferences of Malta and Yalta, p.701.

14. Ibid., p.158.

the same sentiment in a letter to Eden dated 4 January 1945, which expressed that it was much too soon to deliberate the postwar treatment of Germany, and that decisions should be deferred "...until all the facts and forces that will be potent at the moment are revealed."¹⁵ According to Churchill, the plans that were formulated by the Post-Hostilities Planning Sub-Committee were approved and forwarded to the E.A.C., but were not considered to be "...sufficiently pressing or practical to be brought before the War Cabinet"¹⁶ since they "...seemed to be purely theoretical..."¹⁷ at the time, while the end of the war was still unforeseeable.¹⁸ Eden told Molotov in a foreign ministers' meeting at Yalta that although the German Problem was studied on a technical level, "...there had yet been no Cabinet discussions on the question."¹⁹ The Soviet government had not forwarded any studies on the German Problem, possibly since no formal studies had been made. Molotov stated that the British and American governments were considerably ahead of the Soviets in their studies on the problem.²⁰

While the matter of dismembering Germany as a whole was

15. Churchill, Triumph and Tragedy, pp.350-351.

16. Ibid., p.508.

17. Ibid., pp.507-508.

18. Ibid., p.508.

19. FRUS: The Conferences of Malta and Yalta, p.610.

20. Ibid., p.609.

still an open question depending on its necessity, eastern German territories were to be absorbed by the Soviet Union and Poland as a defensive measure against future German military aggression. The Soviets sought to create a Polish buffer between the Soviet Union and Germany by taking over Polish territory, while Poland would acquire German land in the west as compensation, since Poland was used as a corridor for invasions against Russia throughout history.²¹ Various proposals were discussed over six plenary sessions at Yalta, but an exact definition for the western frontier was not reached. It was agreed that Poland's eastern frontier with the Soviet Union should be fixed approximately at the so-called "Curzon Line", as was proposed by the British Foreign Secretary, Lord Curzon, on 11 July 1920, with some modifications in favour of Poland.²²

Dispute remained over how far Poland's western frontier should be extended at Germany's expense, whether it should extend to the eastern or the western Neisse river. Stalin adamantly insisted on the western Neisse. Although Churchill supported the westward movement of Poland's frontier, he insisted that "...it would be a pity to stuff the Polish goose so full of German food that it gets indigestion",²³ referring to the difficulties involved in transferring the German population from these areas, and whether the Poles and

21. Ibid., p.679.

22. Ibid., p.716.

23. Ibid., p.717.

the Germans would be capable of handling such a mass deportation of people. Stalin remarked that this would not be a problem, since the Germans in these areas had already fled in the face of the advancing Red Army.²⁴ Having been unable to reach a decision on the western boundaries, the issue was avoided by postponing a final decision. Hence, the final Yalta communiqué only stated that "...Poland must receive substantial accessions of territory in the North and West", and that "...the final delimitation of the western frontier of Poland should thereafter await the Peace Conference", while the eastern frontier should follow the Curzon Line with five to eight kilometre modifications in some regions in favour of Poland.²⁵

Apart from seeking territorial aggrandisement, the Soviet delegation at Yalta also demanded compensation for war damages. Considering the unsolvable problem of reparations in dollar terms that had been set after the First World War, a detailed plan for compensation was presented in terms of "payment in kind" and forced German labour. Removals of industrial goods related to the economic and military disarmament of Germany, such as machine tools, rolling stock, shipping, investments abroad, etc. were to be completed within two years after the war, and commodities were to be delivered for a period of ten years after the war. The total amount of German reparations was to be fixed at 20 billion dollars, 50 per cent of which would be granted to the Soviet

24. Ibid.

25. Ibid., p.980.

Union.²⁶ Agreement was reached on which countries should receive reparations and the type of reparations Germany should pay, but the British and American delegations were opposed to fixing a specific total figure for payments to be made. The task of formulating a detailed reparations plan was therefore consigned to an Allied Reparations Committee set up in Moscow for further study, which would consider the figure of 20 billion dollars in reparations "...as a basis for discussion...".²⁷ The leaders of the Big Three had made progress on discussing what was necessary to deal with Germany, but the surrender instrument for Germany was incomplete while the surrender was imminent.

The Dismemberment Committee held its first meeting on 7 March to discuss its mandate, and held only one other meeting before it was dissolved. This committee had not received specific instructions on dismembering Germany, nor did its representatives favour partition as a matter of policy. The American and British governments had disavowed partition, while the Soviet position had hitherto been unclear. Instructions from Moscow to Ambassador Gusev stated that the Yalta decision on dismemberment was merely "...a possibility for exercising pressure on Germany for the purpose of rendering it harmless if other means proved insufficient...",²⁸ rather than an obligatory plan for

26. Ibid., pp.808-809.

27. Ibid., pp.843-844.

28. Mosely, "Dismemberment", p.493.

partition. Although the committee approved a draft memorandum on studying a procedure for dismemberment,²⁹ it never discussed the advantages of partition or made plans for it. Gusev's instructions made it obvious that the Soviet government was not committed to the principle of partition, and perhaps Stalin had called for the formation of this committee since the Soviet government lacked studies on the matter, as its instructions also stated that the committee should, above all, "...consider the substantive question of the desirability and feasibility of partition."³⁰ Gusev was also personally against a voluntary partition³¹ that had been considered in the American government as the only realistic form of dismemberment. Following Ambassador Winant's report to President Roosevelt on the work of the committee, Roosevelt instructed Winant rather indifferently that the final decision concerning dismemberment "'...should be one of study and postponement of final decision'..."³² With the absence of instructions from their respective governments and lacking proposals for dismemberment, the committee made no progress on its mandate, and the policy of dismemberment was therefore shelved before being withdrawn altogether.

Yet, there remained two separate surrender documents that had been produced. This led to a difficult situation in

29. Ibid.

30. Ibid.

31. Ibid., p.494.

32. Ibid.

which the Allied authorities needed to decide which document would be presented to the German authorities upon the surrender. The Yalta version included a provision for dismemberment, but was not ratified by the French who were not represented at the Yalta Conference, while the E.A.C. surrender document did not include a clause for dismemberment and was signed the French representative in the E.A.C.. Although Stalin had agreed to allow the French to participate in the occupation and control of Germany, and therefore had accepted France to be on equal footing with the Big Three, the Soviet government remained silent on the question of French participation on the Dismemberment Committee,³³ and therefore blocked French participation on the committee. French equal membership with the Big Three in the E.A.C. and the Control Council would thus invalidate the legality of any decision made by the Dismemberment Committee, since its decisions would lack the necessary approval of the four occupying powers.

While Germany lay on the verge of surrender in the first week of May 1945, there was still no decision made on which version of the surrender instrument would be used - the E.A.C. document, or the Yalta version which included the word "dismemberment" which the French had not approved. Complicating matters even further, Churchill initiated the drafting of an entirely new document in conjunction with the Supreme Headquarters of the Allied Expeditionary Force (SHAEF). This new text would provide for only a military

33. Ibid., p.495.

surrender, omitting mention of the Allies' assumption of supreme authority in Germany. SHAEF reasoned that a concise and clear instrument of military capitulation would hasten the signing of the German surrender, as opposed to the detailed E.A.C. document which included terms that could be debated by the Germans. However, the SHAEF document did not provide for the German acknowledgement of unconditional political as well as military surrender. Scrapping the E.A.C. document would also endanger the postwar cooperation of the four powers that had agreed to the document.³⁴

Upon Ambassador Winant's personal insistence, a new article was included in the SHAEF surrender document. It was vaguely worded as a general enabling clause that would allow for additional military and political contingencies that could be imposed on Germany following the conditions that would be mentioned in the E.A.C. document.³⁵ An acknowledgement of the final military as well as political surrender was necessary for the Allies to impose their supreme authority that they agreed to exercise over Germany. The new article, Article 4, read as follows:

This act of military surrender is without prejudice to, and will be superseded by any general instrument of surrender imposed by, or on the behalf of the United Nations and applicable to Germany and the German armed forces as a

34. Ibid., pp.496-497.

35. Ibid., p.497.

whole.³⁶

The German High Command signed the unconditional surrender of the German armed forces to the Allies at Rheims on 7 May and in Berlin on 8 May 1945, and thus ended the fighting between Germany and the Allies. This military surrender was followed by the "Berlin Declarations" issued in Berlin on 5 June by the Allied commanders-in-chief of the four occupying powers.

Reference to "dismemberment" was not included in the military surrender or in the "Berlin Declarations". Since the first Declaration proclaimed the Allies' right to determine the future status of Germany, reference to "dismemberment" became unnecessary. The E.A.C. re-worked its draft surrender instrument to take Article 4 into account after the signing of the military surrender, completing the wording of this new amendment to the surrender document on 12 May. In addition, the Soviet government unilaterally took an independent official stand against dismemberment, as Stalin publicly declared in his "Proclamation to the People" of 8 May, that "'the Soviet Union...does not intend to dismember or destroy Germany.'"³⁷ Hence, the policy of dismemberment was dropped, and mention of it was excluded from the military surrender instrument, and the June 5 Declaration. While the military surrender called for the end of hostilities, the June 5

36. Documents on Germany: 1944-1961 (New York: Greenwood Press, 1968), p.12.

37. Mosely, "Dismemberment", p.498.

Declarations proclaimed the complete defeat of Germany, both military and political, and specified that the Allies were assuming complete control and authority over Germany. The Declarations were presented in the form of three separate documents.

The first document, entitled "Declaration Regarding the Defeat of Germany and the Assumption of Supreme Authority", proclaimed that the governments of the United States, the Soviet Union, the United Kingdom, and the Provisional Government of the French Republic were assuming supreme authority in Germany, and presented the terms of the unconditional surrender. In summary, all of Germany's resources, both human and material, were to be subordinated to the Allied authorities; and various measures would be taken to ensure the complete and effective disarmament, demilitarisation and denazification of Germany, and provide for the requirements of the Allied occupation authorities.³⁸ Since the Allies assumed supreme political authority of Germany and effectively nullified the authority of the German government, the unconditional surrender completely eliminated the legal basis for the continued operation of the German government. The power vacuum created as a result would be filled by the Allied occupation authorities, who would thus become the sole governing authority in Germany for the duration of the occupation.

The second document outlined the delineated boundaries of the Allied zones of occupation in Germany and Berlin. Each

38. Documents on Germany: 1944-1961, pp.12-16.

zone would be placed under the authority of a commander-in-chief of the respective powers governing the zone. An Inter-Allied Governing Authority, or Kommandatura, consisting of the four Allies' Berlin military commanders would jointly direct the administration of Berlin.³⁹ Germany would cease to exist as a sovereign state. The entire country and its capital city would be reduced to four separate zones that were to be placed under foreign occupation and administration.

The third document defined the Allied control machinery in Germany. In summary, the commander-in-chief of each zone was the supreme authority in his zone. Each commander's authority was subject only to his own government and the Allied Control Council. The four commanders, constituting the Allied Control Council, would act in concert on matters affecting Germany as a whole. Decisions concerning Germany as a whole could only be implemented with the unanimous consent of the four commanders. A Coordinating Committee, composed of the deputies of the four commanders, was responsible for advising the Control Council, administering the execution of its decisions, transmitting these decisions to appropriate German organs, and supervising and controlling the everyday activities of these organs. A Control Staff, composed of military and civilian personnel and consisting of twelve separate directorates, would function as the provisional administration of Germany. The administration of the area of "Greater Berlin" would be under the direct authority of an

39. Ibid., pp.18-19.

Inter-Allied Governing Authority, which would operate under the general direction of the Control Council. These arrangements were to be maintained for the duration of the Allied occupation when Germany was carrying out the basic requirements of the unconditional surrender.⁴⁰ Allied control machinery was to remain the provisional political and administrative structure of Germany until the signing of a peace settlement between the Allies and a restored German government.

Inherent flaws in these terms severely undermined four-power cooperation. Since the zonal commanders were to exercise supreme authority in their individual zones, the military administrations of the separate zones used this principle as an enabling clause for arbitrary action within the zone, such as the Soviet occupation authorities directing German communists in organising the administration of the Soviet zone.⁴¹ Although the four commanders were to act jointly on matters affecting Germany as a whole in order to ensure "uniformity of action", this also meant that each commander in the Control Council was effectively given the power of veto in the Council. Hence, a line of action could be blocked by any of the commanders before acting arbitrarily in his own zone. The inherent differences in views between east and west and these terms that could undoubtedly sabotage

40. Ibid., pp.19-20.

41. Hannelore Becker and Wolfgang Lange, [eds.], Um ein antifaschistisch-demokratisches Deutschland: Dokumente aus den Jahren 1945-1949 (Berlin: Staatsverlag der Deutschen Demokratischen Republik, 1968), pp.5-6.

uniformity of action between the occupying powers "...made the division of Germany a foregone conclusion by the summer of 1945."⁴²

These declarations represented the first step in establishing joint Allied control and authority over Germany. Having announced their plans for their occupation and control of postwar Germany, the Allies needed to establish the practical characteristics of their administration.⁴³ The Allied policies that were to govern Germany during the occupation were worked out in the concluding conference of the war at the Cecilienhof Palace in Potsdam (17 July - 2 August, 1945). It was at this conference that the Allied policies that were to be executed through the control machinery were set down. Although the French had a direct interest in the postwar occupation and had their own specific policies, they were not asked to participate in this conference. As a result, they would not consider themselves to be bound by its agreements.

The Potsdam Conference representatives set up a Council of Foreign Ministers to deal with the postwar German problem. Superseding the European Advisory Commission, this new committee was given the responsibility of determining the terms of the peace settlement between the Allies and a restored democratically-elected national German government,

42. J.K. Sowden, The German Question 1945-1973: Continuity in Change (London: Bradford University Press, 1975) p.77.

43. Herbert Feis, Between War and Peace: The Potsdam Conference (Princeton: Princeton University Press, 1960), p.52.

as well as with the other Axis states and dealing with other problems facing postwar Europe.⁴⁴ The occupation of Germany would be in place until the peace settlement between Germany and the Allies had been signed.

The preamble of the Potsdam Protocol on Germany stated that Allied armies occupied the whole of Germany, and declared that coordinated Allied policies would prepare the eventual reconstruction of Germany on "...a democratic and peaceful basis."⁴⁵ Representatives of the Big Three governments formulated the policies that were to guide the governing Allied Control Council for the duration of the occupation, entitled The Principles to govern the Treatment of Germany in the Initial Control Period, sub-divided into political and economic principles.

In summary, the "Political Principles" set down the following objectives: the Allied assumption of supreme authority in Germany under the authority of the four commanders-in-chief, acting in unanimous consent for the whole of Germany and separately in their respective zones of occupation; the uniform treatment of the German population; disarmament and demilitarisation; the elimination of war industries; the dismantling of the National Socialist Party; the abolition of National Socialist laws; the arrest of Nazi Party leaders and of war criminals; the banning of nominal

44. FRUS, Diplomatic Papers: The Conference of Berlin (The Potsdam Conference) Vol. II (Washington: U.S. Government Printing Office, 1960), pp.1500-1501.

45. Ibid., pp.1501-1502.

participants of the Nazi Party from public offices and positions of prominence in private undertakings; the control of education in order to purge it of Nazi and militarist doctrines; the reorganisation and democratisation of the judicial system; the decentralisation of the political structure; the restoration of political life at the local level, and German administrative departments; and the restoration of democratic principles and institutions, such as freedom of speech and the organisation of political parties.⁴⁶

The "Economic Principles" sought to: eliminate Germany's military potential; decentralise excessive concentrations of economic power, such as the decartelisation of private "monopolistic arrangements" such as cartels and syndicates; develop agriculture and peacetime industries; treat Germany as a "single economic unit", and common economic policies were to be made applicable in every zone; administer Allied controls that were to meet the needs of the occupation forces and of the Germans; ensure the fulfillment of the surrender terms, such as disarmament and reparations; ensure an equitable distribution of commodities among the occupation zones; maintain a balanced economy; control scientific research; create German administrative departments that would assume the responsibility for economic controls; the Control Council would exercise control and dispose of Germany's external assets; ensure that the payment of reparations "...should leave enough resources to enable the German people

46. Ibid., pp.1502-1504.

to subsist without external assistance."⁴⁷

These guidelines, like those stipulated in the Berlin Declarations, also contained inherent flaws which contributed to the division of Germany. The Protocol re-affirmed that the zonal commanders were to exercise supreme authority in their own zones and joint authority on matters concerning Germany as a whole. Allowing the individual commanders supreme authority in their own zones opened the way for unilateral policies that would bring about a cleavage between the separate zones. The obligation to act in unison on "matters affecting Germany as a whole" effectively gave each commander the power of veto over Control Council proposals. The German political structure was to be decentralised and local responsibility was to be developed. Although no central German government was to be established "for the time being", German political life was to be reconstructed on a "democratic basis". The implementation of this policy was left to the commander-in-chief of each zone,⁴⁸ without providing any precise definition of what was meant by "democratic", and specific guidelines on how this was to be achieved. The Protocol declared that a single German state would be restored whose government would sign a peace treaty with the Allies. However, procedural details for the election of a central government for Germany were not included in the

47. Ibid., pp.1504-1505.

48. Beate Ruhm von Oppen, ed., Documents on Germany under Occupation: 1945-1954 (London: Royal Institute of International Affairs, 1955), p.44.

Protocol. Moreover, since the Western Allies and the Soviets had different interpretations of what "democracy" meant, negotiations over the restoration of a government for Germany as a whole later resulted in a hopeless deadlock.⁴⁹ It would be seen that the Soviets sought to restore Germany as a "People's Democracy", while the Western Allies on the other hand, sought to rebuild a "western style" parliamentary democracy. Although common policies were to be laid down by the Allied Control Council, these policies were not specifically defined.⁵⁰ Due to the fact that the Council was obliged to act in unison, its effectiveness became paralysed as a result of divergent views between the occupation powers. The application of common policies was further undermined by the statement that "so far as is practicable, there shall be uniformity of treatment of the German population throughout Germany". These vague terms were hardly enforceable, and therefore actually allowed individual commanders to ignore the clause altogether, and implement the policies of their respective governments!

The "Economic Principles" contained other flaws that would also complicate the "uniformity of action". Although the Protocol stated that Germany was to be treated as "a single economic unit" during the period of the occupation, specific measures on how this was to be done were not defined

49. Sowden, The German Question, pp.83-84.

50. Michael Balfour and John Mair, Four-Power Control in Germany and Austria 1945-1946 (London: Oxford University Press, 1956), p.84.

precisely, and therefore proved to be unworkable. In any case, the arrangements for reparations claims from Germany made this policy practically impossible to implement. The Protocol stated that reparations from Germany were to be made on an east-west zonal basis - reparations claimed by the Soviet Union and Poland were to be taken from the Soviet zone, while those claimed by the United States and western European countries were to be drawn from the western zones. In addition: the Soviet Union was to receive 15 per cent of usable and complete industrial equipment from the western zones in exchange for an equivalent value in commodities, especially foodstuffs, from the eastern zone; 10 per cent of industrial capital equipment that was not necessary for the German peace economy would be transferred from the western zones to the Soviet Government as reparations, without payment or exchange of any kind in return. This transfer of equipment from the western zones was to be completed within two years.⁵¹ Yet, there was to be an "equitable distribution of essential commodities between the different zones so as to produce a balanced economy throughout Germany" at the same time. In order to maintain a self-sustaining economy, proceeds from exports from current production and stocks were to be made available to pay for necessary imports. However, since the exaction of reparations was separated from the pooling of resources, this arrangement made it impossible for Germany to be administered as a single economic unit while

51. FRUS, 1945, Vol.II: The Conference of Berlin,
pp.1505-1506.

the zonal barriers were in place. The exaction of reparations on a zonal basis, together with the supreme authority of the zonal commander in his zone, later gave the Soviet Union a pretext to establish an economic system of its own design in the eastern zone.⁵²

Unilateral actions in Germany by the Russians took place even before the Potsdam Conference convened. The Yalta Protocol stated that the demarcation of the western frontier of Poland was to be settled at a peace conference between Germany and the Allies, but the Soviets had already transferred all the German territory east of the Neisse River over to Polish administration without consulting the American or British governments.⁵³ President Truman and Churchill protested against this action, arguing that it would make the settlement of reparations more difficult as well as being contrary to agreement. Stalin responded that the German population had fled before the Red Army, and that the Soviet Government therefore allowed Poland to take over the administration in these areas and thereby guarantee stable conditions throughout the Red Army's lines of communication. This was actually a Soviet fait accompli in seizing German land for Poland, since the entire German population in these areas had not fled as Stalin claimed. According to U.S. Secretary of State James F. Byrnes, there were at least two

52. Sowden, The German Question, pp.84-85.

53. Byrnes, Speaking Frankly, pp.79-80.

million Germans in these areas.⁵⁴ Churchill argued that the Soviet plan took nearly one-fourth of pre-war Germany's arable land, and over a million Germans would be forced into the western zones, "'...bringing their mouths with them'."⁵⁵ Both Churchill and Truman argued that Poland's occupation of German territory was to be approved at the peace conference, but Stalin would not move from his present position that Poland would retain control of the areas reaching to the western Neisse River. The Potsdam Protocol stated that the delimitations of the western frontier of Poland should await the peace settlement. Hence, German territories east of the Oder and western Neisse rivers, including the area of East Prussia that was not transferred to the Soviet Union, i.e. the city of Königsberg and the adjacent area, were placed under "Polish administration",⁵⁶ but the British and American delegations were actually left with no alternative but to accept this de facto annexation of German land by Poland. The amputation of German territory in the east had thus become a fact.

Allied planners dismissed the notion of dismembering Germany as a means of preventing its potential for future military aggression. The Potsdam Protocol, which embodied the official policies of the Big Three Allies regarding postwar Germany, stipulated that the Allies sought to restore and

54. Ibid., p.81.

55. Ibid., p.81.

56. FRUS: The Conference of Berlin, p.1509.

maintain a unified Germany, which was to be reorganised on democratic lines rather than partitioned into separate states. After having had defeated Nazi Germany through joint wartime effort and cooperation, the Allies sought to prevent a revival of German militarism and military aggression that had followed Germany's defeat after the First World War. The objective of the Potsdam Protocol was essentially to provide guidelines through which Germany could be reintegrated as a democratic country into the peaceful community of nations. The implementation of these guidelines was to be achieved through the joint administration of the occupation powers. However, the Potsdam Protocol would be impossible to implement as a result of the Allies' decision to divide Germany into zones of occupation, and that the occupation powers had separate plans for postwar Germany. Although the Allies intended to govern Germany as a single political and economic unit, their policies set the stage for a division of Germany between the occupation powers.

Cooperation and Conflict - 1945-1946

The leaders of the Big Three Allies met in the Potsdam conference and agreed on a set plan to be executed in postwar Germany soon after the unconditional surrender was signed. The Potsdam Protocol imposed a provisional de facto partitioning of Germany into four separate zones of occupation, which would be administered jointly by the Allied Control Council, whose representatives would carry out the provisions of the Protocol and instructions of their respective governments, until a peace settlement was signed between a German government and the Allies. However, it soon became apparent that the Protocol would not be followed by the occupation powers, since the individual views of the separate powers could not be reconciled. The French, who had not been represented at Potsdam, did not consider themselves bound by its decisions.¹ Since the French government considered the restoration of Germany a threat to French security, the French ignored or obstructed the Potsdam agreements that they did not approve, and set out to impose their own solution to the German Problem. French policies came into conflict with the agreed policies of the Big Three, and thus became one of the initial causes of the breakdown of Allied cooperation in postwar Germany. While the French obstructed four-power uniformity of action in the Control Council and decision-making at the international level in the Council of Foreign Ministers, the unilateral actions of the Soviets brought about a chasm between the eastern and the

1. James F. Byrnes, Speaking Frankly (New York: Harper & Brothers, 1947), p.169.

western zones, which in turn led to British and American unilateral actions. These sparrings between the occupation powers made the joint administration that was envisaged at Potsdam increasingly difficult.

The Allied Control Council was assigned the task of putting the Potsdam Protocol into practice. The Allied Control Council held its first formal meeting on 30 July 1945.² At its second meeting on 10 August, the Council ratified a document that established its organisation, providing for the Coordinating Committee and for various governmental directorates through which it would operate.³ In summary, the Coordinating Committee would discuss problems which would be submitted to the Allied Control Council. Various sub-committees would present studies of detailed problems to the Coordinating Committee, which would in turn dispatch questions on the functions of the Allied government to the various specialised committees of the Control Staff, composed of divisions for the following affairs: military, naval, air, transport, political, economic, finance, reparation, deliveries and restitution, internal affairs and communications, legal, prisoners of war and displaced persons, and manpower. Every separate division was represented by a Directorate, composed of the four heads of each division, which acted jointly on the division's

2. Lucius D. Clay, Decision in Germany (Garden City: Doubleday & Co., 1950), p.33.

3. Ibid, p.35.

affairs.⁴ The machinery through which four-power Allied government in Germany would operate was established. However, conflicts between the occupation powers and the rule of unanimity on decision-making hindered its operation.

The operation of the Control Council was soon hindered by the French representative, as French opposition to the Potsdam agreements that they did not accept found expression in this body.⁵ Clause 2 of the Political Principles stated that: "So far as is practicable, there shall be uniformity of treatment of the German population throughout Germany",⁶ and clause 8(iv), stated that: "...certain essential 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."⁷ The French had their own plans that they would implement in their zone, and therefore ignored clause 2. The French government was strongly opposed to clause 8(iv), since the creation of such institutions would lay the basis for a future unified Germany. Among the Economic Principles, the

4. FRUS, 1945, Vol. III: European Advisory Commission; Austria; Germany (Washington: U.S. Government Printing Office, 1968), pp.824-829.

5. F. Roy Willis, The French in Germany 1945-1949, (Stanford: Stanford University Press, 1962), pp.25-26.

6. FRUS, 1945, Vol. II: The Conference of Berlin (The Potsdam Conference) (Washington: U.S. Government Printing Office, 1960), p.1481.

7. Ibid. p.1483.

French were opposed to clause 14, which stated: "During the period of occupation, Germany shall be treated as a single economic unit",⁸ and clause 15(c), which called for "...the equitable distribution of essential commodities between the different zones so as to produce a balanced economy throughout Germany and reduce the need for imports."⁹ Like clause 8(iv) of the Political Principles, clauses 14 and 15(c) foreshadowed the restoration of a unified German state. This would be a main point of contention that the French would obstruct continuously by using the power of veto in the Allied Control Council,¹⁰ thus hindering the political and economic re-unification of the four zones of occupation.

France emerged from the Second World War seeking to restore its status as a world power and to permanently strengthen its position in relation to Germany. These policies entailed securing military and economic guarantees that would assure France's military security and postwar economic recovery.¹¹ Following the issue of the Potsdam Protocol on 2 August 1945, the French Foreign Minister Georges Bidault sent letters to the ambassadors of Britain, the United States and the Soviet Union, stating that the French government refused to accept certain decisions that

8. Ibid., p.1484.

9. Ibid.

10. Clay, Decision in Germany, p.39.

11. Raymond Aron, "Reflections on the Foreign Policy of France", trans. Daphne and Marjorie Kirkpatrick, International Affairs 21 (October 1945), pp.445-446.

were made at Potsdam. The French government especially opposed "...the reconstitution of political parties for the whole of Germany, and the creation of central administrative Departments which would be controlled by Secretaries of State whose jurisdiction, it seems, would extend over the whole of German territory, the boundaries of which have not yet been determined."¹² The French government's concerns over the restoration of a central German government and the delineation of the western boundary were not considered at the Potsdam Conference, and were therefore used as justifications for blocking the implementation of Potsdam decisions in the Control Council.

One of the first signs of French obstruction in the Allied administration of Germany took place on 22 September. General Louis Marie Koeltz, the French deputy military governor, rejected an American proposal for the establishment of a central German transport administration. When discussion on this subject resumed at the 12 October meeting, Koeltz stated: "'I am perfectly agreed that there should be an American, French, British, and Soviet Council (which was in fact what the Transport Directorate was) but I can't agree that the Germans should have anything to do with it.'"¹³ Although Koeltz personally agreed with the policy, the extent of his decision-making was limited by his government. On 1 October, General Pierre Koenig, the French military governor,

12. Documents français relatifs a l'Allemagne (Août 1945-Février 1947) (Paris: Imprimerie Nationale, 1947), p.9.

13. Clay, Decision in Germany, pp.109-110.

expressed the intransigent official position of the French government - since they had not taken part in the formulation of the Potsdam Protocol, they would veto the creation of any central German administrations until the Council of Foreign Ministers had reached an agreement on the future western boundary of Germany.¹⁴ On 26 October, Koeltz vetoed a proposal that would have allowed a federation of trade unions throughout Germany, announcing that: "The objects of the administration of Germany will be the decentralisation of political structure and the developing of local responsibilities. Thus trade unions are political structures and will be decentralised."¹⁵ On November 23, Koeltz vetoed a proposal for establishing a central agency to control rail traffic, stating that the French government would not allow him to agree to the establishment of any central administrative department.¹⁶ On 17 December, Koeltz objected to a proposal presented by the British and the Americans to open all zonal boundaries to allow the passage of Germans. Marshal Vassily Sokolovsky, the Soviet deputy military governor, stated that although he agreed with the proposal in principle, its practical implementation was not possible at that time. The British and American deputy military governors

14. Documents français relatifs a l' Allemagne, p.16.

15. Clay, Decision in Germany, p.110.

16. Ibid.

could not understand why he had said this,¹⁷ but would later discover that the Soviets sought to exclude the Western Allies from eastern Germany for political reasons. On 26 March 1946, the Control Council discussed a proposal to allow German political parties to function on a national basis. Sokolovsky, General Lucius Clay, the American deputy military governor and General Sir Brian Robertson, the British deputy military governor were in favour of the proposal, but Koeltz, in keeping with the policy of blocking any move toward German unity, rejected the proposal, stating that the French position on "...such questions must await decisions on boundaries and related matters."¹⁸ Due to the fact that decision-making in the Control Council had to be unanimous, and the consistent French veto of any Potsdam agreement that they did not approve of prevented the creation of central administrative departments that were essential for coordinating the administration of the four zones, and would have formed the groundwork for the restoration of a national German government.

While Koeltz stalled progress in the Allied Control Council, the French view was presented at the international level. Bidault presented the French government's proposals for a peace settlement with Germany in the first session of the Council of Foreign Ministers in London (11 September - 3 October, 1945). The French government proposed the following: the partitioning of Germany into several states; withholding

17. Ibid., p.112.

18. Ibid., p.119.

the re-establishment of a national German government, administrative departments and political parties in order to prevent the creation of a unified German state; the transfer of German territories east of the Oder-Neisse rivers to Poland; the separation of the Rhenish-Westphalian region from Germany; the separation of the Ruhr from Germany and placing this region under international control. Bidault also warned that the French representative on the Control Council was not authorised to agree to any decision concerning the Rhenish-Westphalian region before it was discussed in the Council of Foreign Ministers.¹⁹

In spite of detailed studies that had been made during the war which had demonstrated the disadvantages of dismembering Germany, the French stubbornly maintained their own views regarding Germany. It seems that the French government could not envisage the possibility that Germany could be reconstructed on a "democratic and peaceful basis" as was stated in the preamble of the Potsdam Protocol.²⁰ They believed that a resurgence of German militarism and aggression would undoubtedly recur unless Germany was weak and divided. The French therefore opposed the contemplated restoration of a central government in Germany, and demanded further concrete guarantees for their national security. The Rhineland was seen as a springboard for German military

19. Documents français relatifs a l'Allemagne, pp.13-15.

20. FRUS, 1945, Vol.II: The Berlin Conference, p.1502.

aggression against France.²¹ The Ruhr, the largest industrialised area in Europe and Germany's industrial heartland, was seen as the arsenal of this aggression.

De Gaulle stated that the Potsdam Protocol sanctioned the amputation of Germany in the east but not in the west, which shifted Germany's centre of gravity toward the west. For this reason, there had to be a settlement that would prevent German aggression from being launched westwards. The key areas involving such a settlement were the Rhineland and the Ruhr. Since the Rhineland constituted a "march", or invasion route to France from Germany, de Gaulle proposed placing German territory on the left bank of the Rhine under French military and political control, while the Ruhr should also be separated from Germany in order to maintain the economic security of western Europe.²² Separating the Rhineland and the Ruhr from Germany would therefore provide a protective buffer for France against Germany, as Poland did for the Soviet Union, and would prevent Germany from re-establishing military as well as economic hegemony in Europe. Considering what had already been discussed on the subject of dismemberment, and the fact that the French proposals conflicted with the terms of the Potsdam Protocol, it was highly unlikely that their proposals would be given any consideration. Nevertheless, the foreign ministers in

21. "France and the German Problem", Free France 7 (1 January 1945), p.39.

22. "General de Gaulle on Need of Common Policy", The Times (London), 10 September, 1945, p.4:2.

London referred the French proposals for "preliminary study" to the foreign ministers' deputies before giving them further consideration.²³ Viacheslav Molotov, the Soviet Foreign Minister, also made a proposal for the Ruhr, suggesting that the Ruhr be placed under four-power administration in order to curtail Germany's war potential.²⁴ Ernest Bevin, the British Foreign Secretary, argued that the Ruhr should not be considered as a separate area of Germany, and that arrangements for a permanent control of the Ruhr should await the final peace settlement when Germany would be dealt with as a whole.²⁵

The French policy of decentralising Germany appeared to be the main obstacle to Allied cooperation in the early stage of the occupation. Although the French veto prevented the creation of central German administrative agencies, which would have formed the basis for a restored national government, unilateral actions by the Soviets in their zone of occupation would make zonal reunification practically impossible. General Koeltz later remarked that the French veto prevented the Western Allies "...from creating agencies which would have been vehicles for Communist expansion."²⁶ Since the French veto stifled efforts to establish national

23. FRUS, 1945, Vol.II: General: Political and Economic Matters (Washington: United States Government Printing Office, 1967), p.429.

24. Ibid., p.404.

25. Ibid., p.406.

26. Clay, Decision in Germany, p.40.

administrations, separate administrations emerged in the separate zones of occupation. While the Western Allies would reconstruct the German administrations in their zones "in their image", i.e. on a "liberal and democratic" model, which entailed parliamentary democracy and a free-market economy, the Soviets rapidly began to organise the political and social orientation of their zone on Communist/Stalinist lines soon after the war, just as they had done in every country that their armies had occupied. The conflicting ideologies of the Soviet Union and the Western Allies were represented in territories that they occupied, which were divided by what Churchill called an "Iron Curtain" that had descended over postwar Europe.

The political division in Germany was initiated by groups of German Communists supported by their Soviet patrons. A group of leading functionaries of the Communist Party of Germany led by Walter Ulbricht, known as the Gruppe Ulbricht, arrived in Berlin from Moscow on 30 April 1945²⁷ to form "...the new German government...".²⁸ The most notable member of this group was Walter Ulbricht, who became the first deputy premier of the German Democratic Republic. A second group of such Soviet protégés led by Anton Ackermann and Hermann Matern was put to work to set up the Communist

27. Wolfgang Leonhard, Die Revolution entlässt ihre Kinder (Köln: Kiepenhauer & Witsch, 1955), p.301.

28. Ibid., p.304.

Party apparatus in Dresden,²⁹ and a third under Gustav Sobottka went to work in Mecklenburg-Vorpommern.³⁰ These groups were brought into the Soviet zone to organise the administration of the zone under the direction of the Soviet occupation authorities. They were given the responsibility for establishing a newspaper and a radio station which were to express the views of anti-fascist progressive forces in order to establish an anti-fascist foundation and encourage the population to cooperate with the Soviet authorities.³¹ The local Soviet commander would appoint the mayor, and the local administration, which was to rely on the support of representatives in factories, blocks of apartments, and the various municipal districts. A personnel office was responsible for the selection of functionaries. As a rule, the direction of this office was to be in the hands of "...a comrade who has worked outside of Germany as an anti-fascist functionary during the past few years...",³² i.e. a cadre that had been brought into Germany from the Soviet Union, who could be depended upon to carry out the demands of the Soviet occupation authorities.

29. Ibid., p.345.

30. Heinz Vosske, "Über die Initiavgruppe des Zentralkomitees der KPD in Mecklenburg-Vorpommern [Mai bis Juli 1945]" Beiträge zur Geschichte der deutschen Arbeiterbewegung 6 no.3 (1964), p.424.

31. Becker and Lange, Dokumente aus den Jahren 1945-1949, pp.5-6.

32. Ibid., p.7.

The Soviet military administration sought to impose the authority of their German Communist collaborators in the Soviet zone of occupation, in order to set the stage for turning Germany into a Communist puppet state under their control. These functionaries created conditions that laid the basis for a Soviet domination of Germany's political life and economic resources.³³ This may have been the Soviets' motive in taking power in Germany, as they had done in the eastern European countries that they occupied, thereby extending their influence as much as possible. In Stalin's view, the Second World War had a distinctive nature in this respect. According to Anastas Mikojan, the Soviet Deputy Prime Minister, Stalin stated that unlike in previous wars, "...whoever occupies a territory also imposes on it his own social system. Everyone imposes his own system as far as his army can reach. It cannot be otherwise."³⁴ Hence, the Soviets and their German Communist Party collaborators laid the groundwork for building a "People's Democracy" in the Soviet zone soon after the occupation had begun. According to General Clay, the Soviet expansion program was under way six months after the Potsdam Conference. As the Soviet drive for power in their satellite countries gained form and strength, inter-Allied agreement in Germany "...was no longer possible."³⁵

33. Clay, Decision in Germany, p. x.

34. Milovan Djilas, Conversations with Stalin trans. Michael B. Petrovich (New York: Harper & World, 1962), p. 114.

35. Clay, Decision in Germany, p. 43.

On 10 June 1945, the Soviet Military Administration issued Order No.2, unilaterally allowing the setting up of a coalition of "anti-fascist" democratic political parties and organisations.³⁶ An "anti-fascist" bloc of political parties, composed of the Christian Democratic Union (CDU), the Liberal Democratic Party (LDPD), the Social Democratic Party (SPD), and the Communist Party (KPD) was formed on 14 July 1945.³⁷ This was part of a tactical pattern that would steer German Communists into a position of influence. This pattern came to be known as the "drive and wedge", or "salami method", tactic of seizing power. This "method" was used throughout eastern Europe in order to achieve Soviet hegemony, in which Communist minorities joined other parties and representatives of other doctrines in governments by forming "democratic" "national fronts" in order to reach influential positions before cutting away their colleagues and taking complete control.³⁸

The political life of the Soviet zone thus took a shape that was unacceptable to the Western Allies. Due to the conflicting political ideologies of the occupation powers, the political developments in the Soviet zone created a barrier between itself and the western zones. In any case,

36. Becker and Lange, Dokumente aus den Jahren 1945-1949, pp.54-55.

37. Ibid., pp.91-93.

38. Ferenc Nagy, The Struggle Behind the Iron Curtain (New York: MacMillan, 1948), pp.159-164.

conflicts in negotiations between the occupation powers seemed to make cooperation in Germany impossible.

The first major break in policy between the Soviets and the Western Allies occurred over reparations. Allocations of goods from the Soviet zone were required in the western zones, especially foodstuffs, which had supplied western Germany before the war.³⁹ Proceeds from the sale of German exports from the Soviet zone were also required to pay for essential imports. Yet, the Soviets refused to cooperate in this logical arrangement. On 8 April 1946, the Soviet representative in the Economic Directorate of the Control Staff stated that the import and export of German goods would be "...considered a zonal problem until there was a favourable trade balance for Germany and reparations had been made in full."⁴⁰ The Soviets maintained that their reparations claim of 10 billion dollars was to be fulfilled before they would begin to deliver economic resources from their zone to a common pool of resources of the four zones.⁴¹ This was an obvious violation of the Potsdam agreements: to treat Germany as a "...single economic unit.." which entailed establishing common policies in regard to setting up "import and export programs for Germany as a whole..."; ensuring "...the equitable distribution of essential commodities between the several zones so as to produce a balanced economy

39. Clay, Decision in Germany, p.28.

40. Ibid., p.121.

41. Ibid.

throughout Germany and reduce the need for imports..."; and giving priority to exports that would pay for essential imports, before reparations payments were made, in order to leave enough resources for the German people to subsist without external assistance.⁴² However, Germany could not achieve a favourable trade balance that would allow the country to sustain itself without external assistance if reparations were exacted from the productive output of a deficit economy!

The restoration of a national German economy was impossible as a result of the conflicting views of the occupation powers. The French were consistently opposed to establishing central German administrative agencies which could administer a single economy⁴³ for the whole of Germany. The Soviets insisted on drawing reparations from production in their zone without contributing resources to the western zones, leaving the western occupying powers to support their zones and sustain their deficit at their own expense, while delivering reparations to the Soviet zone.⁴⁴ In spite of references to the obligations that were set in the Economic Principles of the Potsdam Protocol, the Soviet representative, General Mikhail I. Dratvin, who had replaced Sokolovsky on the Coordinating Committee, simply re-affirmed the Soviet position that a balanced economy had to precede

42. FRUS, 1945, Vol. II: The Conference of Berlin, p.1504-1505.

43. Clay, Decision in Germany, p.120.

44. Ibid., p.123.

the pooling of resources, which would presumably be fulfilled by putting the industrial facilities of every zone into operation. On 25 May 1946, General Clay retaliated against the Soviets' failure to deliver goods from their zone into a common national pool by halting the delivery of reparations and goods.⁴⁵

The Allied administrative machinery in Germany had come to a grinding halt. Discussions between the Allies were taken up at the international level in the Second Session of the Council of Foreign Ministers in Paris (25 April - 16 May and 15 June - 12 July 1946). Questions on Germany were discussed only nominally during the first session of the Council of Foreign Ministers in London, since discussion was devoted to peace settlements with Italy, Bulgaria, Romania, and Hungary. The foreign ministers first discussed the German problem at the Paris sessions.⁴⁶ Unfortunately, the occupying powers maintained their separate viewpoints and the progress in the Council of Foreign Ministers would be as halting as in the Allied Control Council.

Bidault reiterated the French government's uncompromising demands concerning Germany at the 15 May session⁴⁷: placing the Ruhr under international and economic control, and permanent occupation by an international force;

45. Ibid., p.128.

46. Ibid., p.123.

47. FRUS, 1946, Vol.II: Council of Foreign Ministers (Washington: U.S. Government Printing Office, 1970), pp.394-396.

the most important mines and international enterprises of the Ruhr to be placed into the ownership of an international consortium and administered by international public enterprises; division of the Rhineland into two or three separate autonomous states, and to be placed under permanent occupation; absorption of the Saar into the French customs union and currency system, and for this region to be placed under permanent French administration and military occupation; maintaining French control and military presence from the Swiss border to Cologne, while the territory from Cologne to the North Sea should be placed under Belgian, Dutch and possibly British control; and decentralising Germany as a whole.⁴⁸

No decision was reached on these proposals. Bevin expressed a willingness to consider Bidault's proposals, but did not favour the political separation of the Ruhr, as its economic and military potential was linked to the future of Germany as a whole.⁴⁹ Further discord between the representatives was evidenced by Molotov's interest in the Ruhr, charging the British with secrecy in taking unilateral actions in this region, which, according to Molotov, represented between three-fourths to four-fifths of Germany's military potential. Bevin retorted by stating that he would like to be informed about what was going on in the Länder of Saxony and Thuringia and objected to the propaganda about the

48. Documents français relatifs a l'Allemagne, pp.17-18, 25-27.

49. FRUS, 1946. Vol.II: Council of Foreign Ministers, p.396.

British zone.⁵⁰ In attempting to lay the basis for progress on the German problem, the U.S. Secretary of State James F. Byrnes proposed that the main questions concerning Germany be consigned to a committee of special deputies before the second session opened on 15 June.⁵¹ This proposal was not considered, and discussions on the German question were continued by the foreign ministers without the appointment of special deputies.

The foreign ministers held their last meeting on 16 May and adjourned without having reached any decision on Germany. Bidault attempted to reach a solution for the French proposals for the Saar. Much to his chagrin, Byrnes and Bevin were opposed to French policies, while Molotov was non-committal. Byrnes stated that he would not object to the French proposals for the Saar, on the condition that the French withdraw their opposition to the establishment of central economic agencies for Germany. Bevin further undermined French policies on Germany by stating that no decision could be taken on the Saar or the Ruhr, since the German question was to be studied as a whole.⁵² Molotov returned to allegations of secret measures of confiscation or nationalisation of industrial property in the Ruhr; Bevin declared the allegations were untrue, as economic measures in the Ruhr were reported to the Control Council and the

50. Ibid., pp.398-399.

51. Ibid., pp.397-398.

52. Ibid., pp.427-428.

press.⁵³ Molotov also reviewed an American proposal for a twenty-five year treaty for the enforcement of the disarmament and demilitarisation of Germany.⁵⁴ Byrnes had prepared this treaty in order to assure European states that the United States would not return to a policy of isolationism, and had received Stalin's support for it.⁵⁵ Byrnes had also mentioned this proposal to Molotov informally during the London Conference. Molotov strongly approved the proposal.⁵⁶ However, he now rejected it, arguing that such a treaty should not precede the restoration of a German government.⁵⁷

Molotov took up the subject of this proposed treaty on 9 July, reading a lengthy prepared propaganda statement that attacked the proposal as being completely inadequate,⁵⁸ and made false accusations against the Western Allies. The treaty stated that the Soviet government believed that the disarmament and demilitarisation of Germany should be maintained for forty rather than twenty-five years.⁵⁹ Byrnes

53. Ibid., pp.430, 432.

54. Ibid., pp.190-193.

55. Byrnes, Speaking Frankly, pp.171-172.

56. FRUS, 1945, Vol.II: General: Political and Economic Matters, pp.268-269.

57. FRUS, 1946, Vol.II: Council of Foreign Ministers, p.432.

58. Ibid., pp.843.

59. Ibid., p.842.

stated that a twenty-five year period was merely a basis for consideration.⁶⁰ The statement also charged that its provisions for the "...elimination of Germany's war and economic potential, and the establishment of proper Allied control over German industries..."⁶¹ were limited and wholly inadequate; it accused the Western Allies of not adopting a plan for eliminating Germany's war potential; and it said the American draft did not include any thorough provisions for the disarmament and demilitarisation of Germany.⁶² Byrnes pointed out that the wording in the draft in this respect was taken from the four-power declaration of 5 June 1945, which had been ratified by General Zhukov of the Soviet Union.⁶³ Moreover, General Clay had proposed that representatives of the four powers carry out the investigation of disarmament and demilitarisation in the four zones. Although this course was approved by the governments of the Western Allies, the Soviet government refused to allow representatives to enter the Soviet zone, and would not allow the investigation to extend to the demilitarisation of industrial plants.⁶⁴ There was evidence that suggested that substantial quantities of war munitions were being produced in the Soviet zone, but the notion of including the production of war munitions in the

60. Ibid., p.847.

61. Ibid., p.844.

62. Ibid.

63. Ibid., p.847.

64. Ibid., pp.848-849.

proposed investigation had "...met a Soviet veto each time it was proposed."⁶⁵ Molotov's statement also charged that the draft "...evades and disregards..." the problems of democratising Germany.⁶⁶ Byrnes explained that the purpose of the treaty was to ensure disarmament and demilitarisation, rather than settle reparations and political questions.⁶⁷ The last and most irrelevant criticism in this statement referred to reparations. Molotov stated that the draft did not include the provision for reparations of 10 billion dollars from Germany which he claimed was fixed at the Yalta Conference, and criticised General Clay's "...unlawful statement announcing the refusal to carry out reparations deliveries to the Soviet Union...".⁶⁸ These claims were also unfounded. The American government had only accepted the sum of 10 billion dollars as a basis for discussion, and argued that General Clay was justified in halting the deliveries of reparations, since the decision was made in the interest of fulfilling the Potsdam Protocol. The Protocol stated that the Germans should be left enough resources to live without external assistance while reparations were being met. However, the U.S. government was paying 200 million dollars a year to support the population of its zone. Germany was also to be treated as

65. Clay, Decision in Germany, p.128.

66. FRUS, 1946, Vol.II: Council of Foreign Ministers, p.845-846.

67. Ibid., p.847-848

68. Ibid., p.846.

a single economic unit. This was not being done.⁶⁹ Apart from hindering inter-Allied cooperation in Germany, the Soviets continued propaganda attacks the Western Allies.

Molotov made another propaganda statement on the following day, which was presented as the Soviet Union's view on the German problem. The importance that was attached to this statement was shown by the fact that it was issued to the press in advance - a completely unusual action for Soviet diplomats.⁷⁰ In summary, Molotov announced the Soviets' intention to restore Germany as a "...democratic and peace-loving state..." whose government was to be elected by a national plebiscite, and whose industry, agriculture and foreign trade were to be developed on a wider scale. He dismissed "fashionable talk" about dismembering Germany and separating the Ruhr, but would not oppose the will of German states to break away from Germany, which would be subject to the result of a local plebiscite. The Soviet Union encouraged the democratic revival of Germany, and sought safeguards against potential German aggression. This involved placing the Ruhr under inter-Allied control in order to guarantee its complete military and economic disarmament, and thus prevent the revival of war industries. The complete military and economic disarmament of Germany was also to be extended by a plan of reparations, which had not been carried out, as well as establishing inter-Allied control over the Ruhr, which would serve security as well as supervise the restoration of

69. Ibid., p.849.

70. Byrnes, Speaking Frankly, p.179.

peace industries. Lastly, Molotov proposed that the Allies set up a democratic national German government which would be supervised for a number of years before it would sign a peace settlement with the Allies, in order to prove its trustworthiness in its fulfillment of obligations to the Allies and delivering reparations.⁷¹

The statement presented the Soviets as being advocates of German unity restored under an elected government. Yet, the government would be supervised for a number of years, which would give the Soviets time to attempt a "drive and wedge" political takeover of Germany, as in the Soviet zone. The recommendation to develop industry on a wider scale came as a shift in policy, as the Soviet representative on the Control Council had hitherto always voted for the lowest figure in fixing the level of industry.⁷² This statement was probably motivated by an intent to accelerate the exaction of reparations from current production. The Soviets would not object to regional separatism based on popular will, which would conveniently allow Poland to annex the German territories whose German population had been expelled and replaced by Poles.⁷³ Moreover, the Soviet veto in the Allied Control Council and the Council of Foreign Ministers could be used to secure the adoption of the Soviet concept of a

71. FRUS, 1946: Vol.II: Council of Foreign Ministers, pp.869-873.

72. Byrnes, Speaking Frankly, p.180.

73. Clay, Decision in Germany, p.129.

"democratic" government; secure a partial control of German industry, particularly in the Ruhr; and enforce the delivery of 10 billion dollars in reparations.⁷⁴ Molotov's statement was also incompatible with the French demands, which were reiterated at this meeting.⁷⁵ The Soviet policies of opposing the forcible dismemberment of German territory directly blocked French demands for Germany's western boundary, and the proposal for restoring a central German government was completely incompatible with the French government's demand to restore Germany as a confederation rather than a federal state with a central government.⁷⁶

Further discussions on Germany continued to be unsuccessful. Byrnes opened the next meeting by presenting the American position on the German question. The statement announced that the American government favoured the industrial revival and democratisation of Germany, which could only be implemented after definite terms of a peace settlement with Germany were formulated by the Allies, and proposed once again that the Council appoint special deputies to prepare the peace settlement.⁷⁷ Bidault and Bevin accepted the proposal in principle, while Molotov believed that further discussion by the foreign ministers on the German

74. Byrnes, Speaking Frankly, p.181.

75. Ibid., pp.860-864.

76. Documents français relatifs a l'Allemagne, p.30.

77. FRUS, 1946, Vol.II: Council of Foreign Ministers, pp.881-882.

question was necessary,⁷⁸ in order to provide the deputy foreign ministers with concrete agreements upon which further work on the German question could be based. However, a deadlock, described by Bidault as a "merry-go-round" ensued between Byrnes and Bevin on one hand and Molotov on the other over the problems of reparations and disarmament, both sides accusing the other of not carrying out its commitments.⁷⁹ In an attempt to make progress on decision-making and thus get off the "merry-go-round", Byrnes proposed the appointment of special deputies on German questions, which Molotov opposed, arguing that progress should be made by the foreign ministers before delegating work to deputies.⁸⁰

Byrnes believed that the Soviets were deliberately hindering the settlement of joint Allied agreements on Germany in order to set the stage for a Communist takeover of Germany.⁸¹ Delaying an attempt to reach settlement on Germany allowed them to establish the orientation of their zone on Soviet lines and to draw resources from its industries, as well as allowing the maintenance of armed forces in Poland for the ostensible purpose of maintaining lines of communication to Germany.⁸² Maintaining occupation forces in Poland could be used to help secure a Communist takeover,

78. Ibid., pp.875-876.

79. Ibid., pp.882-892.

80. Ibid., pp.892-893.

81. Clay, Decision in Germany, p.130.

82. Byrnes, Speaking Frankly, pp.159-160.

just as the peace settlements with Romania and Hungary gave the Soviet Union a legal justification to station troops in these countries in order to maintain lines of communication with the Soviet occupation forces in the Soviet occupation zone in eastern Austria.⁸³ The presence of Soviet occupying forces probably helped secure Communist takeovers in those countries.

Byrnes also believed that Germany could not function as a politically and economically viable state if its administration as four separate zones was maintained indefinitely.⁸⁴ Since the zones of Germany were not economically self-supporting, a unification of zones would facilitate the reaching of a balanced economy and allow Germany to be restored as a single economic unit, which in turn would facilitate the postwar economic recovery of Germany and of Europe. In an attempt to break the deadlock on the zonal division, Byrnes offered to combine all or any of the occupation zones in economic unity with the American zone.⁸⁵ The British alone agreed to Byrnes' proposal, and announced on 30 July 1946 that they agreed to fuse their zone with the American zone, and to form a "Bizon".⁸⁶ On 9 August, the British and American deputy military governors

83. Philip E. Mosely, "The Treaty with Austria", International Organization 4 (May 1950), p.223.

84. Clay, Decision in Germany, p.130.

85. FRUS, 1946, Vol. II, Council of Foreign Ministers, pp.897-898.

86. Clay, Decision in Germany, p.168.

agreed to form a Bipartite Board to work out the details that would ensure a common standard of living and consumer rations, and a pooling of resources of the two zones. German authorities would be responsible for executing a common economic policy for the Bizone which would be directed and supervised by the two military governments.⁸⁷ The final agreement for bizonal arrangements was signed on 2 December 1946. This agreement went into effect on 1 January 1947, and was to remain in place until agreement on treating Germany as an economic unit was reached.⁸⁸ Although the creation of the Bizone demonstrated that joint Allied economic administration for Germany had failed, it was a step toward a restoration of German statehood.⁸⁹

The Allies' failure to fulfill the Potsdam Protocol on Germany and the breakdown of Allied cooperation brought uncertainty about the reconstruction of postwar Germany. Secretary of State Byrnes expressed the American view on this situation in the Stuttgart Staatstheater on 6 September 1946.⁹⁰ Addressing an audience of American occupation personnel and the German minister-presidents of the three Land governments of the American zone and the Senatspräsident of Bremen, Byrnes opened his speech by announcing that the

87. Ibid.

88. Ruhm von Oppen, Documents on Germany under Occupation: 1945-1954, pp.195-199.

89. Clay, Decision in Germany, p.163.

90. Documents on Germany: 1944-1961 (New York: Greenwood Press, 1968), p.55-62.

American government resolved to avoid isolationist policies and to take an active part in European and world affairs. The American government was therefore committed to reaching a just peace settlement between Germany and the Allies, and to carry out the necessary measures for the reconstruction of Germany that were specified in the Potsdam Protocol. This reconstruction depended on: the economic unification of Germany, and if complete unification could not be secured, the American authorities would do everything possible to "...secure the maximum possible unification..."⁹¹; establishing national administrative departments to deal with the restoration of Germany's economic life, upon which the recovery of Europe was dependent, and restoring essential services such as transport and communications; the gradual restoration of democratic political life "from the ground up" to successive levels of government, i.e. from the local to the state level, until a central German government was restored; and the successful operation of the Allied Control Council, which was "...neither governing Germany nor allowing Germany to govern itself."⁹² By fulfilling the Potsdam Protocol, the government of Germany would be returned to the German people, and would allow Germany to join the world community of peaceful nations, rather than "...become a pawn or partner in a military struggle for power between East and

91. Ibid., p.58.

92. Ibid., p.58.

West."⁹³ Byrnes admitted that the occupation powers had failed to implement the Potsdam Protocol, which was necessary for safeguarding world peace. The American government promised to work for the fulfillment of the Protocol, which had not been done due to the divergent views of the Allies. It would be seen that four-power agreement on Germany was impossible.

The French had failed to receive the sanction of the other occupying powers to implement their policies on Germany, but acted unilaterally where it was possible. Since the Ruhr and the Rhineland were not in their control, they could only press for their demands concerning these regions in the Council of Foreign Ministers where their demands had been consistently rejected. However, they were able to fulfill their policies for the Saar - a region that they occupied in its entirety. At midnight, 21 December 1946, a customs barrier was erected between this region and the remainder of the French zone.⁹⁴ Measures to strengthen the French economic hold on the Saar were later taken without the common approval of the four powers in 1947. A separate Saar mark was created on 15 June. The Saar was then completely integrated into the French economy on 14 November by the French government's approval to introduce the French franc into the Saar as the only legal currency.⁹⁵

93. Ibid., p.56.

94. Clay, Decision in Germany, p.132.

95. Willis, The French in Germany, p.47.

Allied wartime planning for postwar Germany and the prospect of signing a joint peace settlement between Germany and the Allies appeared to be doomed to failure. The Allied policies, set by the representatives of the Big Three at the Potsdam Conference, were to guide the Allies' administration of Germany until a peace settlement was concluded. However, the Potsdam Protocol could not be put to work in the face of violations by the occupation powers. Particular agreements in the Protocol conflicted with the aims of the French, who did not consider themselves legally bound by its decisions. The Soviets also pursued their own aims in Germany, namely the "sovietisation" of the eastern zone, and they were drawing reparations while neglecting to deliver goods to the western zones from their zone, while the British and the Americans sought a new course that overrode the Potsdam decisions, in light of the new situation that had emerged in Germany. Although four-power cooperation had come to a standstill, a façade of cooperation continued before a tacit admission that cooperation had become impossible.

From Cooperation to Impasse - 1947

A solution to the impasse between the Western Allies and the Soviet Union could not be found. They had been able to cooperate on the wartime effort against Germany with the single purpose of defeating Germany, but postwar cooperation became impossible as a result of their conflicting and irreconcilable ideologies. The proclamation of the Truman Doctrine and the Marshall Plan highlighted the division between east and west after the Second World War. The conflicting ideologies of the two world power blocs that emerged after the war, led by the United States and the Soviet Union doomed east-west cooperation in Germany to eventual failure. While the occupation powers bickered over how postwar Germany was to be restored and drifted away from the agreements that had been formulated at Potsdam, the restoration of political life in the western and the eastern zones contributed to and confirmed the political division between east and west. The era that came to be known as the "Cold War", the political confrontation between power blocs representing capitalism and communism, led to a chasm between the two blocs that made cooperation on matters concerning Germany impossible. Germany was left in the "no man's land" between the foreign ministers of two power blocs that engaged in what Boris Meissner has described as "diplomatic trench warfare".¹

The Council of Foreign Ministers convened in New York City for their third session (4 November - 12 December 1946),

1. Boris Meissner, Russland, die Westmächte und Deutschland: Die Sowjetische Deutschlandpolitik 1943-1953 (Hamburg: Nölke Verlag, 1954), p.139.

dealt primarily with the final drafting of the peace treaties for Germany's former allies: Italy, Romania, Bulgaria, Hungary and Finland, and therefore did not consider the "German Problem". The Council agreed that the problem of drafting the treaties for Germany and Austria would be handled at another conference in Moscow. The preparatory work on these treaties was relegated to the foreign ministers' deputies, who were to convene in London on 14 January 1947 to consider: the views on the German problem of Allied states that had fought against Germany, proposals on questions of procedure for drafting the peace settlement; questions of boundaries, including the Rhineland, the Ruhr and others; the American proposed draft treaty on disarmament and demilitarisation, and other measures for the political, economic and military control of Germany; and a report submitted by the Committee of Coal Experts. A full report on these issues was to be submitted to the Council of Foreign Ministers by 25 February.²

A comprehensive report was also to be prepared by the Allied Control Council on: its work on demilitarisation, denazification, and democratisation; economic problems; reparations; the establishment of central administrations; problems relating to the political, economic and financial life of Germany under four-power administration; the liquidation of Prussia; and considering the form and scope of Germany's provisional political organisation, which was to be

2. FRUS, 1946, Vol.II: Council of Foreign Ministers, pp.1557-1558.

submitted to the Council by 25 February 1947.³

The report by the Allied Control Council would serve to clarify the points of contention between the four powers, which had prevented the Council from functioning and thereby specify the problems to be discussed at Moscow. However, the Council was able to reach only agree on a few recommendations, and reported mainly on the wide divergencies that had prevented the administration of Germany by the Council as a single unit: the Western Allies charged the Soviet Military Administration in Germany with refusing to allow the free inspection of plants by representatives of the four powers; the Soviets charged the Western Powers with failing to eliminate war industries and deliver reparations, and various other alleged violations of the Potsdam Protocol.⁴ The Control Council seems to have become unable to reach any far-reaching effective agreement that would help bring about the restoration of a sovereign German state that had been envisaged at Potsdam. According to General Clay, the liquidation of the state of Prussia on 25 February 1947⁵ was "...perhaps the most important act in the Control Council in this period...".⁶ The Allied representatives at the international level were also unable to work out practical

3. Ibid., pp.1557-1558.

4. Clay, Decision in Germany, pp.144-145.

5. Ruhm von Oppen, Documents on Germany under Occupation: 1945-1954, pp.210-211.

6. Clay, Decision in Germany, p.144.

agreements.

The work of the foreign ministers' deputies in preparing the peace settlement with Germany was marred by disagreement. They could not agree on procedural questions relating to the treaty, the nations that would participate in the preparation of the treaty, or even the nations that would be consulted in its preparation. The deputies' field of disagreement "...was so broad that they were unable to agree to a report on their disagreement, and confined their joint report to summarizing the views of the Allied nations as presented to them."⁷

The Council of Foreign Ministers were left to work out the divergent views of their governments at their fourth session in Moscow (10 March - 24 April, 1947). This conference, the first at which the German problem was discussed at length, was also marred by conflicting views between the occupation powers which seemed to make joint agreements on Germany impossible to reach. The Council agreed to endorse the Allied Control Council's decision to liquidate the state of Prussia at the opening meeting on 10 March.⁸ This proved to be the only substantial agreement on Germany that was reached at the conference.

Molotov accused the Western Allies of failing to demilitarise their zones. The new U.S. Secretary of State George C. Marshall, and Bevin both agreed that the Allied

7. Ibid., p.143.

8. FRUS, 1947, Vol.II: Council of Foreign Ministers; Germany and Austria (Washington: U.S. Government Printing Office, 1972), p.240.

Control Council had made substantial progress on demilitarisation.⁹ He continued with accusations against the Western Allies for not complying with the Potsdam Protocol on German disarmament and denazification while claiming complete Soviet compliance¹⁰ and delivering reparations,¹¹ and attacked the Anglo-American bizonal merger as a violation of the Potsdam Protocol which, he claimed, was an "...opportunity for British and American industrialists to penetrate the area and establish economic empires."¹² Marshall refuted Molotov's various accusations and defended the bizonal merger and again extended the invitation for the Soviets and the French to participate in the zonal fusion, and attempted to secure cooperation by stating that charges and countercharges would only complicate their problems.¹³ Like Marshall, Bevin refuted Molotov's charges, and stated that constant recriminations made by Molotov as well as in the Soviet press were as useless as untrue.¹⁴ These sparrings represented the polemic viewpoints of the conference representatives which foreshadowed the unbreachable impasse on the substantial issues that depended on inter-Allied

9. Ibid., pp.243-244.

10. Ibid., p.250.

11. Ibid., p.264.

12. Ibid., p.256.

13. Ibid., p.256

14. Ibid., p.259.

cooperation - the economic and political unity of Germany.

Marshall made a proposal on the critical and long-disputed problem of drawing reparations from the productive output of German industrial plants while attempting to develop a favourable trade balance by increasing the productive output of the German economy. Marshall suggested that halting the extraction of finished products as reparations from the plants marked for producing reparations payments would make this increase possible. Since a substantial increase in the level of German industry would decrease the resources earmarked for reparations payments, the American delegation would be willing to have experts consider the matter of compensating the Soviet Union for the corresponding value. In the interest of attaining Germany's economic self-sustenance that was envisaged at Potsdam, neither the Americans nor the British would consider allowing the drawing of reparations from current production at this time. This formula was not considered by the Soviet delegation. Molotov did not agree that "...the necessary level of production would mean a reduction in the number of plants earmarked for reparations removals. He made it plain that in his opinion reparations from current production in no way interfered with the execution of the removal program..."¹⁵ No agreement was reached on this issue.¹⁶ Failing to restore Germany's economic unity, and consequently, its productivity, would

15. Ibid., p.303.

16. Ibid., p.304.

only serve to hinder the development of the German economy and European postwar economic recovery as a whole as a result. In any case, the economic reunification of the four zones was impossible without political reunification, which would facilitate the task of the equitable national distribution of resources and attain a common plan to balance exports and imports.

A coordinating committee composed of the deputy foreign ministers was formed to discuss the agreements and disagreements on defining the form and scope of the provisional political organisation of Germany.¹⁷ This issue led to a deadlock over the restoration of a central German government. Marshall and Bevin favoured a gradual restoration of a federal form of government for Germany built on the structure of the Länder, in order to prevent the restoration of an autocratic government.¹⁸ Bidault also advocated a gradual restoration of a de-centralised federal form of government, giving the individual Länder as much political and economic power as possible, while the central government would only possess powers that were necessary for providing services for Germany as a whole, and should only be restored after governmental authority was developed at the local and the state level.¹⁹ Molotov personally opposed "federalising"

17. Ibid., p.297.

18. Ibid., p.314.

19. Ibid., pp.277-278.

Germany,²⁰ but recommended that the question of restoring Germany as either a federal or centralised state should be determined by the German people in a plebiscite, the date for which should be fixed as soon as possible.²¹ This position contradicted the Western Allies' view on the principle of a gradual political federalisation of Germany as a means of developing a democratic political life and ensuring necessary safeguards against the restoration of an autocratic form of government. Bevin and Marshall opposed this proposal by arguing that the problem of restoring the central German government was the Allies' responsibility. Bidault agreed, and pointed out that a plebiscite would ensure the restoration of a centralised government.²² No agreement was reached on determining the extent of the central government's authority in relation to those of the Länder.²³ Whereas the Soviets emphasised the authority of the central government, the Western Allies agreed that the central government's authority should be limited.²⁴ Having been unable to reach an agreement on restoring a German central government, the foreign ministers decided to refer the problem to their deputies, who would resume discussion on this problem at

20. Ibid., p.277.

21. Ibid., p.314.

22. Ibid.

23. Ibid., p.330.

24. Ibid., pp.445-446.

their next meeting.²⁵

The foreign ministers were also unsuccessful in dealing with the procedures for preparing the peace settlement with Germany. The deputy foreign ministers in London had discussed this matter at length, and the process was repeated by the foreign ministers in Moscow. The major points of disagreement were: 1) which countries should participate in the peace conference; 2) whether a central German government should be formed before the peace conference; 3) the degree to which the Council of Foreign Ministers would be bound by the recommendations of the peace conference; 4) whether the German government or German representatives should present their views to the conference; 5) whether the treaty should be ratified by Germans; 6) whether the treaty would be signed by a German government; 7) whether a clause concerning treaty obligations should be included in the German constitution.²⁶ Having been unable to agree on these points, the foreign ministers decided to refer the proposals for a peace treaty back to their deputies for further consideration.²⁷

Questions concerning German territory were also inconclusive. Secretary Marshall proposed that the Council of Foreign Ministers establish a commission to consider and recommend a revision of the prewar German-Polish boundaries which would compensate Poland for the cession of territories

25. Ibid., p.330.

26. Ibid., pp.330-331.

27. Ibid., p.397.

east of the Curzon Line to the Soviet Union, and make arrangements that would ensure the distribution of the territory's raw materials and heavy industrial resources in order to help sustain the economy of Europe.²⁸ Molotov rejected this proposal, arguing that the de facto transfer of the territories west of the Oder and western Neisse rivers was in fact agreed to by the Allied heads of government at the Potsdam conference as the permanent German-Polish frontier.²⁹ Although Marshall and Bevin referred to Stalin's statement at Potsdam that the present frontier was to be considered as provisional, pending the final settlement at the peace conference, Molotov claimed that Stalin's statements actually proved his present position.³⁰

Bidault drew attention to the opposite German frontier, reiterating his earlier proposals for guarantees for French security and economic recovery, which involved separating the Ruhr, the Rhineland and the Saar from Germany. He demanded the political and economic separation of the Rhineland; the permanent stationing of military forces in Germany along the left bank of the Rhine; the political and economic separation of the Ruhr from Germany; placing this region under international control; transferring the ownership of Ruhr's

28. Ibid., p.320.

29. Ibid., pp.321-322.

30. Ibid., pp.322-323.

basic industries to Allied states;³¹ the political and economic separation of the Saar from Germany; joining the Saar in a customs and monetary union with France, and France's assumption of the defense and foreign affairs of the region.³² Marshall supported the French demands for the Saar, but opposed the proposals for the Rhineland and the Ruhr. Bevin also supported French claims for the Saar, which would contribute to France's economic recovery, but opposed their claims for the forcible separation of the Rhineland and the Ruhr.³³ The security of the Allies would be better served by the proposed four-power treaty for the demilitarisation and disarmament of Germany rather than separating these areas. Bevin also reaffirmed his opposition to a special arrangement for the Ruhr while Germany was not treated as an economic unit during the occupation period.³⁴ Both Marshall and Bevin agreed that the resources of the Ruhr should be distributed to contribute to the economic recovery of Europe.³⁵ Placing the Ruhr under international control at this time was unnecessary. The resources of the Ruhr could not be used in the interest of Europe as a whole before the restoration of German economic unity and a favourable trade balance, which would allow the production of an exportable surplus. The

31. Ibid., p.323.

32. Ibid., p.325.

33. Ibid., pp.323-324.

34. Ibid., pp.323-324.

35. Ibid., p.324.

responsibility of ensuring the demilitarisation of the Ruhr was left to the British occupation authorities. Molotov reiterated his demand for placing the Ruhr under quadripartite control,³⁶ which would guarantee Soviet influence in the region, and accused the U.S. and the U.K. of deliberately initiating a policy of dismembering Germany by fusing their zones and using the resources of the Ruhr to advance their own interests, rather than allow the equitable distribution of the Ruhr's resources among all Allied states.³⁷ Marshall and Bevin defended the bizonal agreement, arguing that it was brought about in the interest of securing German economic unity, which was prevented by the failure of the quadripartite control of Germany and the failure of pooling German commodities.³⁸ Molotov also rejected the French proposals for separating the Ruhr and the Rhineland from Germany, since the Soviet Union opposed measures for dismembering Germany, and took no specific position for those for the Saar, stating only that they should be taken into consideration.³⁹ No conclusive agreement was reached on any new territorial delineation.

Marshall renewed the American proposal for a four-power treaty on the disarmament and demilitarisation of Germany that had been introduced by Secretary of State Byrnes at the

36. Ibid., p.326.

37. Ibid.

38. Ibid., pp.326-327.

39. Ibid., p.326.

previous session of the Council of Foreign Ministers in Paris. Bidault and Bevin accepted the treaty proposal in principle,⁴⁰ while Molotov presented several reservations which effectively served to reject the American draft. He criticised the draft for not mentioning the task of dealing with the eradication of militarism and Nazism and the creation of a democratic and peaceful Germany, and asked for several amendments to be added to the draft, which included differences between the occupation powers that would not be accepted by the Western Allies, such as clauses providing for four-power control of the Ruhr and its resources, and placing the properties of German cartels and monopolies into the hands of the central German government.⁴¹ No agreement was reached on this treaty proposal.⁴²

The conference closed with little progress having been made on occupation policies and no progress made on restoring German economic and political unity. Unresolved questions concerning Allied policy in Germany and the problem of drafting a peace settlement for Germany were referred back to the foreign ministers' deputies, who would consider the preparatory work for the next session of the Council of Foreign Ministers, scheduled to take place in London in

40. Ibid., p.332.

41. Ibid., p.333.

42. Ibid., p.384.

November 1947.⁴³ The foreign ministers made post-mortem statements on the failure of the Moscow Conference which foreshadowed the break between the Western Allies and the Soviet Union on joint policy-making on Germany. Secretary Marshall blamed the Soviets for the failure of reaching agreements on Germany:

Agreement was made impossible at Moscow because, in our view, the Soviet Union insisted upon proposals which would have established in Germany a centralized government, adapted to the seizure of absolute control of a country which would be doomed economically...and would be mortgaged to turn over a large part of its production to the Soviet Union... Such a plan, in the opinion of the United States Delegation, not only involved American subsidy, but could result only in a deteriorating economic life in Germany and Europe and the inevitable emergence of dictatorship and strife...⁴⁴

Bevin reported on the failure of the conference in a similar vein in the House of Commons on 15 May 1947.⁴⁵ In turn, the Soviet press responded to the reports by Marshall and Bevin on the Moscow Conference by announcing that they had grossly distorted the sense of the Soviet delegation's proposals in order to place the blame of the failure of the conference on the Soviets, and argued that the Soviet

43. Ibid., pp.387-388.

44. Ruhm von Oppen, Documents on Germany under Occupation: 1945-1954, pp.225-227.

45. Margaret Carlyle, ed., Documents on International Affairs: 1947-1948, New York: Oxford University Press, pp.490-503.

delegation alone sought to reach constructive agreements.⁴⁶ These statements represented the schism between the British and the Americans on one side and the Soviets on the other, which was so wide that only a significant diplomatic breakthrough or change of policy could bring about a reconciliation of the two sides. Bidault expressed hope for progress on the German question at the following Council of Foreign Ministers conference, and stated that France would no longer play the role of a mediator between the "Anglo-Saxon bloc" and the Soviet Union if France's views on Germany were not considered, and admitted that French policies were relatively close to those of the British and the Americans, particularly on the question of the political organisation of Germany.⁴⁷ This represented a shift in French policy that was brought about by Soviet policy. Molotov had not agreed to any of Bidault's proposals, and his proposals for the restoration of a central German government were wholly unacceptable to the French, who sought to prevent the type of centralisation that Molotov advocated. Although the Moscow conference ended in failure, it had given the delegations of the four occupation powers the opportunity to discuss their proposals and views on Germany in detail. The Allies would continue to negotiate for common agreements concerning the future of Germany since too much was at stake, i.e the fate of a defeated nation, which they had pledged to restore on democratic lines in order to guarantee peace and security.

46. Ibid., pp.481-490 and pp.503-509 respectively.

47. Ibid., pp.509-510.

Moreover, the economic self-sufficiency of Germany was necessary for the economic well-being of Europe as a whole. While the Allies sought to reach agreements on Germany, events in the international scene widened the breach between the occupation powers.

On 12 March 1947, President Truman made a speech in Congress to support the pledge of American economic and administrative support for Greece and Turkey, in order to help uphold their independence and economic well-being. Such aid was offered to all nations of free peoples who resisted coercive movements that sought to impose totalitarian régimes upon them against their will, such those in Poland, Rumania and Bulgaria.⁴⁸ Truman believed that the United States had to set a policy of supporting "...free peoples who are resisting attempted subjugation by armed minorities or by outside pressures."⁴⁹ American support for this purpose would be undertaken by providing "...economic and financial aid which is essential to economic stability and orderly political processes."⁵⁰ This policy became known as the "Truman Doctrine" - a tacit admission that the United States challenged the expansion of Communism by the Soviet Union and its supporters.

On 5 June 1947, Secretary Marshall made a speech at Harvard which offered an approach to implementing the Truman

48. "Recommendations on Greece and Turkey", Department of State Bulletin 23 March 1947, pp.535.

49. Ibid., p.536.

50. Ibid.

Doctrine, advocating a large-scale program for the economic rehabilitation of Europe that would be financed by the United States.⁵¹ The foreign ministers of the U.K., the Soviet Union and France met in Paris from 27 June to 2 July 1947 to discuss the implementation of Marshall's proposal which came to be known as the "Marshall Plan", but they were unable to reach any agreement on how the program for economic aid that Marshall envisaged could be carried out. This was largely due to Molotov's obstruction. Whereas Bevin and Bidault agreed that economic aid to the various countries of Europe should be worked out by a conference consisting of representatives of their three countries and possibly representatives of other European states, who would form six separate ad hoc committees to deal with the distribution of aid in agriculture, power, transport, iron and steel, raw materials, and the balance of payments, and a steering committee to coordinate the activities of these committees and submit a comprehensive report on the economic and financial situation of Europe to the American government by 1 September 1947.⁵² Molotov rejected this proposal, arguing that it would impinge on the sovereignty of the recipient states, and therefore proposed that every state decide what credits or supplies it wanted for itself, basing its assessment on its own economic

51. "European Initiative Essential to Economic Recovery", Department of State Bulletin 15 June 1947, pp.1159-1160.

52. Carlyle, Documents on International Affairs: 1947-1948, pp.33-35.

plan.⁵³ No compromise could be reached.⁵⁴ On 4 July 1947, the British and French governments invited 22 countries to participate in a conference in Paris to discuss the Marshall Plan,⁵⁵ which later took the formal title of the "European Recovery Program". The Soviet Union and the eastern European states that were occupied by Soviet forces did not attend the conference, presumably as a result of Soviet political pressure aimed at undermining the success of the program.⁵⁶

The Truman Doctrine and the Marshall Plan, complemented by the consolidation of the Soviet Union's political domination of its satellite states in eastern Europe thus brought about a division of Europe on ideological lines. This was confirmed by the Communists of Europe, who organised to join their resources in the struggle against capitalism. On 22-23 September 1947, an organisation for coordinating the efforts of the Communist parties of Europe, the Cominform, was founded at Wiliza Gora in Silesia. The declaration of its creation stated that the world was divided into two conflicting power blocs representing the irreconcilable

53. Ibid., pp.36-37.

54. FRUS, 1947, Vol.III: The British Commonwealth; Europe (Washington: U.S. Government Printing Office, 1972), p.307.

55. Carlyle, Documents on International Affairs: 1947-1948, pp.55-56.

56. FRUS, 1947, Vol.III: The British Commonwealth; Europe, p.327.

ideologies of capitalism and communism.⁵⁷ Germany became the frontier of this division of Europe between east and west.

Having been unable to reach an agreement on the restoration of a central government for all of Germany as a result of the Soviets' intransigence, the British and Americans formed a nucleus of a central government in the Bizone. The original intention of fusing the zones had been to remedy the economic drain on the occupying powers which had to subsidise the economic life of their zones,⁵⁸ and help bring about German economic recovery. As the basis for the bizonal agreement stated: "The aim of the two Governments is the achievement by the end of 1949 of a self-sustaining economy for the area."⁵⁹ This agreement was to be in place until the economic unity of Germany was attained.⁶⁰ The second stage of development in the Bizone was the inclusion of Germans in the administration of the economic affairs of the Bizone. A central Economic Council, or Wirtschaftsrat, for the Bizone was formed on 29 May 1947 to coordinate the economic life of the Bizone. The Council consisted of elected German representatives who were given a mandate to issue

57. Carlyle, Documents on International Affairs: 1947-1948, p.122.

58. "The deficit in the American zone for 1947 was estimated at 200 million dollars and that for the British zone was placed at 400 million". Byrnes, Speaking Frankly, p.196.

59. Ruhm von Oppen, Documents on Germany under Occupation: 1945-1954, p.196.

60. Ibid., p.199.

economic ordinances and regulate the civil service of the Bizone. An Executive Committee, composed of representatives from every Land government, put the Economic Council's decisions into effect, made recommendations for legislation, and managed the functions of the administrative agencies of the Bizone.⁶¹ While greater responsibility was given to Germans in the Bizone, a division of political ideologies made a political division of Germany inevitable.

German political life followed the widening rift between the occupation powers. Another step in consolidating the influence of the Communists in the "anti-fascist bloc" government of the Soviet zone was taken by quelling competition from the Social Democrats. The Communist Party (KPD) was fused with the more popular Social Democratic Party (SPD) of the Soviet zone to form the new Socialist Unity Party (Sozialistische Einheitspartei Deutschlands - SED) in a unity congress at the Admiralpalast theatre in Berlin on 21 and 22 April 1946.⁶² The SED was actually a thinly-disguised Communist Party created under the auspices of the Soviet administration; its purpose was to serve as an instrument for potentially attaining political leadership throughout Germany.⁶³ However, this new party only operated

61. Ruhm von Oppen, Documents on Germany under Occupation: 1945-1954, pp.227-231.

62. Becker and Lange, Dokumente aus den Jahren 1945-1949, p.257.

63. Henry Krisch, German Politics under Soviet Occupation (New York: Columbia University Press, 1974), p.200.

in the Soviet zone, since the fusion of the SPD and the KPD was rejected by the SPD membership of the western zones and by the Western Allies.⁶⁴ Evidence supporting the unpopularity of the fusion with the SPD membership was demonstrated by a plebiscite on the question of fusion on 31 March in the western occupation sectors of Berlin - 82 percent voted against fusion in West Berlin, while the vote was not allowed in the Soviet sector.⁶⁵ Although the new SED won an overall 47.5 percent of the vote in the Länder elections in the Soviet zone on 20 October 1946,⁶⁶ their popularity appeared to be artificial, as evidenced by the municipal elections in Berlin. The Social Democrats received an overall 49.75 percent of the vote in the four occupation sectors; the Christian Democrats 22.4 percent; the Liberal Democrats 9.35 percent; and the Soviet-sponsored Socialist Unity Party 18.5 percent, and only 29.8 percent in the Soviet sector.⁶⁷ This election was carried out under the city-wide supervision of quadripartite inspection teams⁶⁸ that guaranteed its impartiality and worked to the detriment of the SED and its Soviet sponsors who had guaranteed their successes in the

64. Clay, Decision in Germany, p.351.

65. Balfour and Mair, Four-Power Control in Germany and Austria, p.207.

66. Fritz Kopp and Günter Fischbach, eds., SBZ von 1945 bis 1954 (Bonn: Bundesministerium für Gesamtdeutsche Fragen, 1956), p.44.

67. Ibid.

68. Clay, Decision in Germany, p.139.

Soviet zone by the influence of favouratism and coercion.⁶⁹ Having been dealt this blow, the subsequent elections in the Soviet occupation zone and the Soviet sector of Berlin, and later the German Democratic Republic, consisted only of non-competitive voting for the SED. Meanwhile, elections in the western zones showed little support for the KPD,⁷⁰ thus paralleling the political rift between the Soviet and western occupation zones that was represented by the occupation powers.

The division of Germany's political life clearly reflected the impasse between the occupation powers at a meeting of the minister-presidents of the Länder of the four zones between 6-8 June 1947. Due to the failure of the Moscow Conference to achieve German economic unity or a unitary political structure, Hans Erhard, the Minister-president of Bavaria, called a meeting of Germany's minister-presidents to discuss Germany's economic necessities and political coordination to ensure a more effective economic organisation.⁷¹ However, political conflicts undermined the success of the conference. The French foreign office announced that it would allow the minister-presidents of the French zone to participate in the conference on the

69. Balfour and Mair, Four-Power Control in Germany and Austria, p.209.

70. Ibid., p.206.

71. John Gimbel, The American Occupation of Germany: Politics and the Military 1945-1949 (Stanford: Stanford University Press, 1968), p.134.

conditions that the agenda did not go beyond discussing economic necessities, and that the political reconstruction and centralisation of Germany would not be discussed.⁷² These conditions prevented the minister-presidents of the Soviet zone from taking part in any constructive negotiations with their counterparts. They introduced a proposal for the "'Formation of a German central administration by agreement of the democratic German parties and labor unions in order to create a German centralistic state'"⁷³ to be placed as the first item of the agenda during the preliminary discussions on 5 June. This proposal was rejected by the minister-presidents of the western zones, and the minister-presidents of the Soviet zone left the meeting as a result,⁷⁴ leaving the meeting to the western representatives.

The meetings of the Allied Control Council continued after the Moscow conference, but agreements could not be reached. In General Clay's view, the Council's inability to reach agreements led him to believe that the military governors "...were merely going through meaningless motions."⁷⁵ It was doubtful that the London conference could accomplish much in the light of the divergence of views and the mistrust between the occupation powers. In the 21 November meeting of the Allied Control Council, Marshal

72. Ibid., p.136.

73. Ibid., p.138.

74. Ibid.

75. Clay, Decision in Germany, p.154.

Sokolovsky charged the Western Allies with several accusations which, apart from being "...utterly unfounded in fact...",⁷⁶ such as claiming that the bizonal fusion was designed to break up quadripartite government and divide Germany, and deliberately profiting from the export of German products,⁷⁷ further illuminated the breakdown of Allied cooperation and that an atmosphere of understanding between east and west became impossible.

Between 6 and 22 November, the foreign ministers' deputies engaged in what proved to be a futile effort to prepare the agenda for the forthcoming foreign ministers' conference. They discussed the procedures for a German peace treaty and the structure of a provisional government for Germany, but had the same disputes as prior to the Moscow conference and could not reach any agreement. They were also unable to draft an agenda for the conference. Since the western representatives and the Soviets could not agree on a single proposed agenda to the Council of Foreign Ministers or even to forward two separate proposals, it was decided that each deputy would report separately and individually to his respective foreign minister.⁷⁸

The Fifth Session of the Council of Foreign Ministers (25 November - 15 December 1947) was the last occasion when the delegations of the four occupying powers sought to reach

76. Ibid., p.161.

77. Ibid.

78. FRUS, 1947, Vol.II: Council of Foreign Ministers; Germany and Austria, p.712.

agreements on Germany, but faced the same recital of disagreements. Molotov began the discussions on Germany by accusing the U.S. and the U.K. of delaying the conclusion of the German peace treaty and "...seeking an 'imperialist peace' while the U.S.S.R. sought a 'democratic peace'."⁷⁹ The Western Allies agreed to form an Allied commission or commissions that would consider territorial claims from Germany by Germany's neighbours, and agreed on the economic fusion of the Saar with France, while Molotov objected to the proposal for territorial commissions and made no comment on the Saar,⁸⁰ and thus prevented agreement. Discussion on preparing a peace settlement were equally unproductive. Molotov insisted that the immediate establishment of a central German government that would present its views at the peace conference was a necessary prerequisite for the preparation of a peace treaty, while Bevin, Marshall and Bidault considered the peace treaty and the German government to be separate issues, and argued that the calling of a peace conference should not precede the formation of a German government whose form and scope had not been defined. Bidault would also not consider the question of German unity until the question of frontiers was settled.⁸¹ No agreement or even a compromise was reached. The foreign ministers were also unable to agree on: the procedure of forming the peace or

79. Ibid., p.733.

80. Ibid., p.736.

81. Ibid., p.737.

which countries would participate in working out the treaty;⁸² the question of drawing reparations from current production which was opposed by the Marshall and Bevin as before, but Molotov would not change his stance on the issue and demanded 10 billion dollars in reparations for the Soviet Union without considering the necessity of economic unity;⁸³ and proposals by Molotov to dissolve the bizonal agreement and to place the Ruhr under four-power control.⁸⁴ Bevin, Marshall and Bidault on one hand and Molotov on the other accused each other of not intending to reach agreements. The conference closed without having discussed the complete agenda since it seemed that no real progress could be made between the Western Allies and the Soviet Union. The Council adjourned without having reached any agreement that could have brought the political and economic unity of Germany any closer than before. In the face of this bitter atmosphere, the Council adjourned without fixing a date for its next session.⁸⁵

The exchange of views on Germany between the occupation powers and events that marked the conflict between the representatives of two conflicting political ideologies made quadripartite agreement on Germany impossible. The failure of the Council of Foreign Ministers' conferences in Moscow and

82. Ibid., pp.742-744.

83. Ibid., pp.757, 762-763.

84. Ibid., p.767.

85. Ibid., pp.771-772.

London demonstrated a divergence of policies between the occupation powers which could not be reconciled, and consequently brought the Western Allies closer together in their plans for Germany and apart from the the Soviet government, which had plans of its own that the Western Allies could not accept. As a result, the Western Allies began to work out their own solutions to the problems concerning Germany rather than go through the motions of making further attempts to secure quadripartite agreements.

From Impasse to Alternative Settlement - 1948-1949

The widening impasse between the Western Allies and the Soviet Union reached the breaking point. Having been unable to reach any agreement on Germany in the Allied Control Council or in the Council of Foreign Ministers, an open confrontation - the Berlin Blockade - would finally demonstrate that even a façade of Allied cooperation in postwar Germany could not be impossible. The former allies faced each other in a new world-scale confrontation, the Cold War, that followed the Second World War. The occupation powers in Germany re-grouped into parts of the two power blocs that had emerged after the Second World War. Both sides were committed to implementing a solution to the German Problem, but the common solution that had been envisaged at Potsdam was impossible as a result of their divergent policies. Having been cast together on a common stage, the occupation powers became actors playing out the drama of the Cold War in the country that became the frontier of the Cold War in Europe. Both sides created new countries, the new governments of which would adhere to their respective patrons. The objective to restore a single and unified Germany, as had been envisaged at the Potsdam Conference, would be delayed indefinitely.

Following the breakdown of the London Conference of the Council of Foreign Ministers, further attempts to reach vital four-power agreements on Germany appeared to be futile. The British and the Americans worked to advance the progress of the administrative development of the Bizone in order to accelerate the process of returning administrative responsibility to Germans, which would help restore German

economic potential and thereby facilitate the economic recovery of Europe, and eventually lead to the creation of a German government. Although the Allies had pledged "...uniformity of action on matters affecting Germany as a whole...", agreement with the Soviets appeared to be impossible. Hence, steps were taken to restore a central political structure for the western zones. The next step in the evolution of developing German administrative responsibility was to expand the organisation of the Economic Council. On 9 February 1948, Generals Robertson and Clay issued Proclamation No.7, which completed the establishment of German administration in the Bizone.¹

This proclamation, known as the Frankfurt Charter, enlarged the Economic Council with the addition of executive and legislative organs, which thereby gave the Bizonal administration a political as well as economic character. The representative base of the Economic Council was doubled to a total of 104 elected representatives from the various Länder; an upper house, or Länderrat, composed of two appointed representatives from each Land, was established to protect the interests of the Länder. The Länderrat was empowered with initiating legislation other than taxation or the appropriation of funds, and the right to approve, amend or veto Economic Council legislation. A chairman was to head the Executive Committee of the Economic Council, and individual

1. Clay, Decision in Germany, p.180.

heads were responsible to its administrative agencies.² This legislation thus created a federal political structure that would serve as the precursor of a full-fledged central government. Proclamation No.8 was issued concurrently, establishing a German High Court for the Bizone.³ Proclamation No.7 was further complemented by Military Government Law No.60 issued on 1 March, which enacted the charter of the Bank deutscher Länder - a central bank for the Bizone.⁴ According to General Clay, these measures were "...only the prelude to a government, at least of the British and American zones, to be made effective at an early date if quadripartite agreement for a unified Germany fails to materialize."⁵ Affairs in Germany had reached a critical point, at which the Western Allies had to "...either move forward to give the Germans increased responsibility in the bizonal area to insure their proper contribution to European recovery, or we must move backward to increase our own forces to run a more colonial form of government."⁶

The French, who had hitherto been a dissenting member of the Allied Control Council and the Council of Foreign Ministers and had pressed for their own national demands,

2. Ruhm von Oppen, Documents on Germany Under Occupation: 1945-1954, pp.268-275.

3. Ibid., pp.275-279.

4. Clay, Decision in Germany, p.181.

5. Ibid., p.179.

6. Ibid.

withdrew their earlier demands for the postwar organisation of Germany in the face of the opposition from the other occupation powers, and joined the Anglo-American alliance in the restoration of western Germany. It became clear to Bidault that French demands would not be accepted by quadripartite agreement, especially by Molotov who rejected every French proposal. The French also stood in agreement on major issues with the British and the Americans. This first step toward the union of the western zones was foreshadowed in a conversation between Bidault and Marshall after the London Conference. Bidault stated that the French government was "...willing to discuss trizonal fusion provided that the question of the Ruhr and the general question of security were considered concurrently."⁷ Marshall stated that a conference on these issues would probably convene in London early in 1948.⁸

France's alignment with the British and the Americans began at the London Six-Power Conference (23 February - 6 March 1948), in which representatives of the three western occupation powers and later the Netherlands, Belgium and Luxembourg met to discuss questions concerning Germany. On 13 February 1948, the Soviet government sent notes to the governments of the United Kingdom, the United States and France protesting the calling of such a conference, arguing that questions concerning Germany fell under the competence of the occupation powers as stipulated in the Potsdam

7. Ibid., p.176.

8. Ibid.

Protocol and the declarations of 5 June 1945.⁹ The United States State Department rejected the Soviet protest, replying that the purpose of the conference was to discuss the problems of Germany among the western occupation powers, which was evoked by the Soviet government's failure to observe the principle of economic unity in Germany provided for in the Potsdam Protocol. The other three occupation powers were therefore impelled to "...consult among themselves to put an end to a state of uncertainty and economic deterioration in Germany which threatens recovery in all of Europe."¹⁰ In the light of the fact that the repeated failures of the Council of Foreign Ministers to reach quadripartite agreements on Germany were due to the irreconcilable positions held by the Western Allies and the Soviet Union, the western occupation powers took their own separate course and met to discuss a problem of mutual interest - the organisation of western Germany, in terms of restoring its political and economic unity and of harnessing its economic potential to facilitate the economic reconstruction of western Europe until common ground could be found between the Western Allies and the Soviet Union.

The conference delegates agreed that Germany was to have a federal constitution that guaranteed the rights of the Länder while giving adequate powers to the federal government. The three western zones were to be included in

9. Carlyle, Documents on International Affairs: 1947-1948, pp.554-555.

10. Ibid., p.555.

the European Recovery Program; the three western zones should establish closer economic cooperation; the Ruhr would be placed under international control in order to prevent its resources from being used for aggressive purposes, and its resources were to be distributed to the European community in order to contribute to European economic recovery. Although these recommendations were made without the sanction of the Soviet Union, four-power agreement on Germany was not precluded in any way. These agreements were merely the result of preliminary discussions which could be continued along with the Soviet Union at a later date.¹¹

The French thus abandoned their demand for the separation of the Rhineland and gained concessions on their previous demands for international control of the Ruhr, guarantees against an excessive concentration of central political power, and benefits from Germany's economic resources. French demands for economic support were assumed by the introduction of the Marshall Plan, which made it profitable for the French government to join the western alliance instead of maintaining independent policies on Germany,¹² while demands for security were assumed by defence alliances that aligned themselves against a new threat to peace.¹³ Although the conference brought the French in line with the British and the Americans, it marked a further

11. FRUS, 1948, Vol.II: Germany and Austria (Washington: U.S. Government Printing Office, 1973), pp.141-143.

12. Willis, The French in Germany, p.53.

13. Ibid., p.46.

widening in the rift between the occupation powers. The fact that the Soviet Union was excluded from the conference represented the political division between the occupation powers, and sanctioned the division of Germany between the opposing sides of the "Iron Curtain". The conference adjourned until 20 April 1948. Events between the two sessions sealed the division between east and west, as further common ground was reached between the western occupation powers which consequently completed the ideological breach between the Western Allies and the Soviets.

On 17 March 1948, the Treaty of Brussels consolidated a new western European alliance consisting of the United Kingdom, France, Belgium, Holland and Luxembourg, which provided for mutual assistance in economic, social and cultural matters and for collective self-defense,¹⁴ later extended with the signing of the North Atlantic Treaty on 4 April 1949.¹⁵ The new alliance formed by the Treaty of Brussels was a direct consequence of the postwar division of Europe, uniting nations of western Europe, as the Cominform organised the Soviet Union and its eastern European allies into a separate self-contained bloc. The alliance was formed in reaction to the expansion of Communism in eastern

14. Carlyle, Documents on International Affairs: 1947-1948, pp.225-229.

15. Margaret Carlyle, ed., Documents on International Affairs: 1949-1950 (New York: Oxford University Press, 1971), pp.257-260.

Europe,¹⁶ and thus represented a further development in the rift between east and west.

On 20 March 1948, Marshal Sokolovsky read a prepared statement in the Coordinating Committee declaring that the Six-power London Conference and the separate decision-making of the Western Allies violated the Potsdam Protocol for quadripartite cooperation in Germany in order to implement their unilateral policies in Germany, and thereby dissolved the operation of the Control Council as the supreme authority in Germany.¹⁷ Sokolovsky walked out of the Council meeting after making this statement, which symbolically and in fact demonstrated that the pretense of cooperation between the Soviets and the Western Allies had ended.

The division of Germany was an accomplished fact when the second session (20 April - 1 June 1948) of the Six-power London Conference convened. Cooperation between the Western Allies and the Soviets was impossible, and therefore the delegates in London could only consider plans for the western zones in dealing with the political and economic restoration of German unity. The governments of the Western Allies approved the final recommendations of the conference shortly after the conference closed.¹⁸ The London conference recommendations became the definitive plans for the future of

16. Ibid., p.202.

17. Ruhm von Oppen, Documents on International Affairs: 1947-1948, pp.574-575.

18. FRUS, 1948: Vol.II: Germany and Austria, p.320 (Great Britain and the United States), and p.336 (France).

western Germany to be implemented under the auspices of the Western Allies. These agreements were to be instituted until four-power agreement on Germany as a whole could be reached, which had hitherto been impossible and consequently impeded the development of the political life of Germany and its economic viability. It was agreed that the western occupation zones of Germany should be reconstituted as a "free and democratic state". The military governors and the minister-presidents of the western zones would hold a meeting at which the minister-presidents would be authorised to convene a Constituent Assembly in order to prepare the constitution of the future West German government, subject to the approval of the western occupation powers. The constitution would provide for the organisation of western Germany on a federal basis, which guaranteed the rights of the separate Länder and gave adequate authority to the central government. Germany was to be integrated into the European economy in order for the German economy to contribute to the economic recovery of Europe. An International Authority for the Ruhr composed of representatives of the United States, the United Kingdom, France, the Benelux countries and Germany, was to supervise the distribution of its products (coal, coke and steel). Trizonal fusion would take place when German institutions common to the entire area were established. The Western Allies would remain in Germany in order to secure peace in Europe and pledged to maintain the necessary measures of demilitarisation, disarmament and control of industry in

order to prevent German military aggression.¹⁹

Documents containing directives for the implementation of the London Conference agreements, dealing with the new constitution, the delineation of boundaries, and an Occupation Statute were presented to the minister-presidents of the western zones by the western deputy military governors on 1 July 1948. The first document stated that the minister-presidents were to organise a Constituent Assembly by 1 September 1948, which would draft a democratic federal constitution for western Germany and specified the conditions for creating the Constituent Assembly and drafting the constitution. Provided that the terms of the draft did not conflict with the general principles that were specified by the western occupation powers, the military governors would forward the draft to the Länder for their ratification before it could come into force. The second document asked the minister-presidents to consider the boundaries of the Länder and determine any proposed modifications, which were subject to the approval of the military governors and the people of the affected areas, and to make the necessary arrangements for the election of the assemblies of the Länder. The third document defined the terms of the Occupation Statute for western Germany, specifying the powers of the occupation authorities in relation to the new West German government.²⁰

Measures for the economic fusion of the French zone with

19. FRUS, 1948, Vol.II: Germany and Austria, pp.313-317.

20. Germany 1947-1949: The Story in Documents, (Washington: U.S. Government Printing Office, 1950), pp.275-276.

the Bizone were taken throughout 1948. The three Land banks of the French zone joined the bizonal bank in June 1948 to form the Bank deutscher Länder.²¹ A stable monetary system was introduced by reforming German currency in the western zones on 21 June, replacing the Reichsmark with the new Deutsche Mark currency.²² Three separate laws for monetary reform were issued on the 18th (Currency law), 21th (Issue law) and the 27th of June (Conversion law),²³ thus completing the process of restoring a unitary banking and currency system. The economic unity of the western zones was completed on 18 October with the creation of a Joint Export-Import Agency that ensured a common foreign trade policy for the three zones.²⁴ Hence, a common economic system was restored in western Germany, which would open the way to a self-sufficient economic life without dependence on economic subsidies from the occupation powers. The authority of issuing currency could also be considered as a right of a sovereign state, which the western occupation zones were on the way to becoming.

The measures adopted by the Western Allies for the economic and political reconstruction of Germany were unacceptable to the Soviets, and consequently assured the

21. Clay, Decision in Germany, p.425.

22. Ruhm von Oppen, Documents on Germany under Occupation: 1945-1954, pp.292-294.

23. Germany 1947-1949, pp.492-498, 498-500, 500-511.

24. Clay, Decision in Germany, p.425.

division of Germany. Having pressed for a central government for Germany as a whole, the Soviets reacted to the Western Allies' actions in setting up a German government under their auspices with hostility. On 24 June 1948, a conference of the foreign ministers of the Soviet Union and its eastern European allies²⁵ condemned the London six-power conference agreements as an attempt to divide and dismember Germany, subordinate the economy of western Germany to the control of western capitalism, and rebuild Germany's war potential.²⁶ Speaking to the citizens of the Soviet zone on the currency reform in the western zones, Marshal Sokolovsky accused the Western Allies of attempting to dismember Germany and to subordinate its economy to serve their financial interests in connection with big German capitalists and Junkers against the will of the German people, which, Sokolovsky said, completed the division of Germany. The new western currency would therefore not be accepted in the Soviet zone or in Berlin, which the Soviets considered to be part of the Soviet zone.²⁷

On 22 June, a four-power meeting of financial and economic experts was held to discuss the use of currency in

25. Albania, Bulgaria, Czechoslovakia, Yugoslavia, Poland, Romania, and Hungary.

26. Carlyle, Documents on International Affairs: 1947-1948, pp.566-574.

27. Ibid., pp.576-579.

Berlin and the continuation of trade from western Berlin.²⁸ The Soviets announced the introduction of a currency reform in the Soviet zone in order to prevent the circulation of currency notes from western Germany, and insisted that Berlin use the currency of the Soviet zone. Although the Western Allies accepted the use of eastern German currency in Berlin as a whole, they refused to allow the Soviets to issue currency on their own terms rather than under quadripartite orders. No agreement was reached, and therefore the new western currency was introduced into the western sectors of Berlin.²⁹

The presence of the Western Allies in Berlin, at the very centre of the Soviet zone, was undoubtedly an irritant to the Soviets. Since no four-power agreement on Germany was forthcoming, and a pro-Western government would be established in western Germany, the western occupation sectors of Berlin represented an advance post from which non-Communist western influences could be disseminated into the Soviet zone where a pro-Soviet German administration was being established, and could also open the way to economic disruption, i.e. black-marketeering, caused by an influx of western currency and goods into the Soviet zone.

The right of access to Berlin from the western occupation zones was not stipulated in a formal agreement between the occupation powers. This gap was exploited by the

28. Clay, Decision in Germany, p.363.

29. Ruhm von Oppen, Documents on International Affairs: 1947-1948, pp.580-583.

Soviets. The European Advisory Commission left the arrangements for access to Berlin for "...direct negotiation among the military commanders in Germany."³⁰ The sole provision for the Western Allies' access to Berlin was a verbal "gentleman's agreement" between General Clay and Marshal Zhukov in June 1945, which specified that Western Allied personnel and goods travelling between Berlin and the western occupation zones were allocated the provisional use of a main highway and rail line and two air corridors, and would not be subjected to customs or border controls or searches by military authorities. Further efforts to conclude a definitive agreement on the Western Allies' right of access to Berlin were blocked by the Soviet veto in the Allied Control Council.³¹ Obstructions of transport and communications between western Berlin and western Germany began shortly after the break-up of the Allied Control Council. On 31 March 1948, the Soviet Military Administration issued an order stating that baggage and passengers on board military passenger trains moving from western Germany to Berlin would be checked by their personnel.³² On the following day, the Soviets decreed that freight leaving Berlin by rail required the authorisation of the Soviet

30. Mosely, "The Occupation of Germany", p.604.

31. Clay, Decision in Germany, p.28.

32. Ibid., p.358.

administration.³³ In April, the Soviets expelled the American military Signal Corps teams who were stationed in the Soviet Zone where they maintained communication lines between Berlin and the American Zone.³⁴ New restrictive documentation for moving military and civilian freight was issued in May.³⁵ In June, trains from western Berlin were stopped and freight cars disappeared.³⁶ These obstructions culminated in an attempt to completely force the Western Allies out of their occupation sectors in Berlin and thereby drive the population of western Berlin to depend on the Soviets. The Soviets severed all rail traffic between the western zones and the western occupation sectors of Berlin on 24 June 1948 and all road and rail traffic by 4 August, ostensibly to prevent the influx of the new West German currency into the Soviet Zone.³⁷ The Soviet representatives withdrew from the Berlin Kommandatura on 16 June, and informed the western representatives on 1 July in the Kommandatura that Soviet representatives would no longer participate in any of its quadripartite commissions.³⁸ The Soviets thus informed the Western Allies that the four-power administration in Germany

33. Ibid., p.359.

34. Ibid., p.361.

35. Ibid., p.362.

36. Ibid.

37. Ibid.

38. Carlyle, Documents on International Affairs: 1947-1948, pp.585-586.

had ended, which served as their justification for ousting their former allies from their occupation sectors in Berlin in spite of previous agreements for the joint four-power occupation of the city.

Since no agreement could be reached, an open confrontation was at hand. The Soviet blockade was defied by the Western Allies who would have lost considerable prestige on the international scene had they capitulated in the face of the Soviets' challenge.³⁹ On 30 June, Secretary Marshall affirmed the Western Allies' right to maintain their occupation sectors in Berlin and announced that foodstuffs and supplies for the population of Berlin would be provided by the use of air transport.⁴⁰ The three western deputy military-governors met with Sokolovsky on 3 July to attempt to reach an agreement on lifting the blockade. Sokolovsky stated that no discussion was possible before the Western Allies had abandoned their plans for establishing a West German government.⁴¹ The three western governments issued a formal protest on 6 July 1948, declaring their right to maintain their presence in Berlin and condemning the restrictions on road and rail traffic to and from the western sectors, while stating that the United States was ready to settle questions concerning the Berlin situation after free

39. Clay, Decision in Germany, p.361.

40. Carlyle, Documents on International Affairs: 1947-1948, p.585.

41. Clay, Decision in Germany, p.367.

passage for goods and persons were restored.⁴² The Soviet government issued a reply on 14 July, claiming that since the Western Allies had violated the agreements of quadripartite administration, they had forsaken the right to maintain their presence in the city, and that the blockade was aimed at defending the economy of the Soviet zone against the effects of the new currency issued in the western zones and the western sectors of Berlin. The Soviet government also claimed that the Berlin situation could not be separated from the German problem as a whole, and refused either to limit negotiations to Berlin alone or to lift the blockade as a preliminary condition for opening negotiations.⁴³ In the light of the failed negotiations with the Soviets and the width of the rift between the occupation powers, the Western Allies could not accept these preconditions unless the Soviets offered concessions to the Western Allies.

Unproductive negotiations on the Berlin crisis continued from 30 July to 25 September 1948 in Moscow and Berlin and later through diplomatic correspondence.⁴⁴ The American and French ambassadors to Moscow, General Walter Bedell-Smith and Yves Chaitaignau, and Frank Roberts, a representative of the British Foreign Office met with Valerin Zorin representing the Soviet Union, and later with Molotov and Stalin to attempt to reach a settlement on the Berlin crisis. On 30

42. Carlyle, Documents on International Affairs: 1947-1948, pp.586-588.

43. Ibid., pp.589-592.

44. Ibid., pp.592-605.

August, the representatives of the four powers agreed to issue a directive to the four military governors,⁴⁵ which required them to work out practical applications for simultaneously lifting the blockade and introducing the Ostmark currency of the Soviet zone as the only valid currency in Berlin, and questions relating to currency control, including arrangements for exchange between the western and eastern currencies, provisions for trade between Berlin and the western zones and foreign countries, and allowing sufficient currency for balancing the Berlin budget and occupation costs. A finance commission consisting of representatives of the four powers was to be set up to supervise the practical implementation of the directive.⁴⁶ The military governors failed to reach any agreement. In sum, the Soviets refused to lift restrictions on transport and communications between the western zones and Berlin and demanded restrictions for civil air traffic.⁴⁷ They maintained that Berlin was part of the Soviet zone and therefore currency for Berlin was to be issued unilaterally through the German Bank of Emission of the Soviet zone, and that the licensing of trade with Berlin should be controlled by the Soviet occupation authorities. The Western Allies maintained that these functions should be under the jurisdiction of a four-power financial commission rather than

45. FRUS, 1948, Vol.II: Germany and Austria, p.1095.

46. Carlyle, Documents on International Affairs: 1947-1948, pp.594-595.

47. Ibid., p.606.

unilateral Soviet control.⁴⁸

It was apparent that the Soviets were determined to achieve predominance in Berlin, using the blockade to isolate the western sectors and force the Western Allies to withdraw from Berlin and prevent agreement in their negotiations with the Western Allies, while the Western Allies were equally determined not to relinquish any influence in their occupation sectors. The discussions were marred by Soviets' disregard for the interests of the Western Allies, and the blockade measures were therefore maintained. Since no compromise could be reached, the Western Allies referred the deadlocked dispute to the Secretary-General of the United Nations on 29 September,⁴⁹ who referred the problem to the Security Council of the United Nations which dealt with the matter without success until February 1949, reporting that agreement was impossible and therefore concluded further efforts to negotiate.⁵⁰

The familiar repetition of negotiations between the Western Allies and the Soviet Union was repeated once again, as compromise seemed to be impossible. While the occupation powers struggled over maintaining their influence in Berlin, the rift in German political life consolidated the division of the city itself as in Germany as a whole. The municipal

48. Ibid., p.607.

49. Ibid., pp.611-612.

50. Peter Calvocoressi, Survey of International Affairs 1947-1948 (London: Oxford University Press, 1952), pp.248-250 passim.

assembly was required under the city constitution to set the elections for a new assembly in 1948, and fixed 5 December as the date for the elections. The Soviet representatives of the Berlin Kommandatura refused to approve the date, while the western military governors did not intervene in what they considered to be a German affair.⁵¹ Since the election would take place and would most probably result in the defeat of the SED judging from the previous elections of 20 October 1946, an assembly of political delegates and representatives of "mass organisations" of the Soviet sector elected a "provisional democratic municipal assembly of Greater Berlin" directed by an SED-dominated "Democratic Block of Berlin", thereby causing a split of the city.⁵² A separate municipal assembly was elected for western Berlin on 5 December, the SPD won the election with 64.5 percent of the vote.⁵³ The western sectors of Berlin, which became the separate city of West Berlin with its own government, thus rejected Communism as did the Western occupation powers.

The attempt to force the Western Allies out of the West Berlin was countered by imposing a counter-blockade on the Soviet zone⁵⁴ and a massive and successful airlift of foodstuffs and supplies from western Germany to West Berlin,

51. Clay, Decision in Germany, p.378.

52. SBZ von 1945 bis 1954 pp.90-91.

53. Calvocoressi, Survey of International Affairs. 1947-1948, p.251.

54. Clay, Decision in Germany, p.388.

bringing 1 583 686 short tons of freight on 195 530 flights in ten and a half months.⁵⁵ The Western Allies also imposed a counter-blockade on the Soviet zone.⁵⁶ The threat of the counter-blockade on the economy of the Soviet zone,⁵⁷ and the success of the airlift in maintaining living conditions in western Berlin⁵⁸ parried the Soviets' bid to force the Western Allies out of Berlin. The Soviets were therefore forced to negotiate for a settlement on equal terms. Informal conversations between Philip C. Jessup, the U.S. deputy representative on the U.N. Security Council and Jacob Malik, the Soviet representative on the Council took place from February to April 1949, and opened the way to lifting the blockade and resuming four-power negotiations on Germany.⁵⁹ The stalemate was finally broken on 5 May 1949. A joint four-power communiqué was issued announcing the simultaneous lifting of the blockade on 12 May 1949, and the convocation of a foreign ministers' conference in Paris on 23 May 1949 to consider questions relating to Germany, problems arising from the situation in Berlin, and the question of currency in

55. Ibid., p.250.

56. Ibid., p.389.

57. Ibid.

58. Ibid., p.391.

59. Carlyle, Documents on International Affairs: 1949-1950, pp.154-156.

Berlin.⁶⁰ Before the two sides met to discuss Germany as a whole, remaining questions between the western occupation powers regarding the future West German state were discussed and settled at the Washington Conference of Foreign Ministers⁶¹ (6-8 April 1949). This conference opened the way to complete trizonal fusion and determined the functions and powers of the Western Allies in the Federal Republic of Germany. Although it strengthened the hand of the Western Allies in their negotiations with the Soviets by presenting them with an accomplished record for the restoration of a German government, the plans for a "western-style" government would be unacceptable to the Soviets, and therefore made a permanent east-west division of Germany inevitable.

The Sixth Session of the Council of Foreign Ministers (23 May - 20 June 1949) was the last opportunity for the four occupation powers to discuss matters affecting Germany as a whole before a division would be effected. However, the breach caused by the deterioration of cooperation that was signified by the failed foreign ministers' conferences of 1947, the breakup of the Allied Control Council, and the political and economic organisation of the western and Soviet zones under the separate auspices of the Western Allies and the Soviets, which finally culminated in the Berlin Blockade confrontation between the occupation powers could not be mended - it became impossible to reconcile the viewpoints and actions of the Western Allies and the Soviet Union. Hence,

60. Ibid., p.157.

61. Clay, Decision in Germany, pp.428-429.

this last attempt to reach common agreements on Germany failed as the previous efforts had done.

Andrei Vyshinsky, the Soviet Foreign Minister, offered to restore the status quo in Germany before the breakdown of four-power control, i.e. restoring the Allied Control Council and the Berlin Kommandatura, as well as to establish a quadripartite body to control the Ruhr, create a German State Council out of the existing German economic bodies which would assume administrative responsibility under the supervision of the Allied Control Council, and to restore a unified government for Berlin.⁶² Secretary of State Dean Acheson, the American representative, responded by stating that the Potsdam conditions no longer existed at this time. Acheson blamed the disruption of four-power cooperation on the Soviets, with whom the Western Allies could not agree to restore German unity unless they accepted the progress of restoring self-government in the western zones⁶³ where a national government was being set up, and therefore avoided returning to a system that had proven to be unworkable and made German unity impossible. The western foreign ministers introduced counter-proposals that entailed an annexation of the Soviet zone into the economic and administrative system that they had hitherto formulated for western Germany which would be undoubtedly unacceptable to the Soviets, such as the

62. FRUS, 1949, Vol.III: Council of Foreign Ministers; Germany and Austria (Washington: United States Government Printing Office, 1974), pp. 1040-1041.

63. Ibid., pp.918-919.

accession of the east German Länder to the Basic Law; the adoption of an Occupation Statute for the whole of Germany; provisions for democratic constitutional principles, such as freedoms of the individual and freedom for all democratic parties and elections; prohibiting reparations payments from current production; and exercising four-power control through high commissioners who would implement decisions on a majority vote, except in mutually agreed circumstances.⁶⁴ Vishinsky rejected every proposal, and argued that the Western Allies presented a completely unacceptable fait accompli: the Bonn Constitution was an undemocratic document that was dictated by the West and served to "...dismember rather than unite Germany...";⁶⁵ the West sought to impose their authority on eastern Germany without the participation of the eastern Germans and the U.S.S.R.; the proposed Occupation Statute entailed prolonging the occupation indefinitely and included excessive authority for the Western Allies; the stipulated guarantees for democratic constitutional principles were fulfilled in the east but not in the west; reparations terms were irrelevant; no proposal was included for the Ruhr; it ignored the aspirations of the German people for a peace settlement; and the majority vote principle for the high commissioners was rejected.⁶⁶ These proposals therefore showed that they did not seek to reach an

64. Ibid., pp.1041-1043.

65. Ibid., p.929.

66. Ibid., pp.929-930.

agreement with the U.S.S.R. and contravened the Potsdam principles.⁶⁷ Vishinsky and the western foreign ministers defended their respective views as being reasonable and constructive, but agreement or compromise could not be reached. The fact that it had been impossible to fulfill the Potsdam agreements remained the chief stumbling-block to constructive discussion - the Western Allies maintained that they had acted according to the Potsdam Protocol apart from working in conjunction with the Soviets, with whom they could not reach agreements, while the Soviets maintained that the Western Allies had violated the rule of four-power unanimity and therefore the four occupation powers should return to the Potsdam conditions and re-open four-power negotiations on Germany rather than reach agreement on what were considered to be completely unacceptable proposals forwarded by the Western Allies.

Fundamental differences in policy between the Western Allies and the Soviets regarding Berlin blocked their agreement on this issue as in the discussions for German unity. Vishinsky took a fixed position of demanding the restoration of four-power administration of the city without considering the western approach of determining new administrative arrangements in view of the previous breakdown of four-power administration.⁶⁸ Acheson introduced the western position for restoring a unified city government, proposing free city-wide elections for a new provisional

67. Ibid., pp.929-931.

68. Ibid., pp.942-943.

municipal government which would draft a permanent constitution for Greater Berlin and make whatever amendments as deemed necessary by the city assembly, while the Kommandatura would be reconstituted in accordance with principles agreed upon by the Council of Foreign Ministers, and determine the limit of the costs and methods of the occupation.⁶⁹ The authority of the Kommandatura would be restricted to previously-held Allied responsibilities such as demilitarisation, reparations, supervision of elections, and adopting and amending the municipal constitution. All other functions and legislation would be left to the municipal government, whose actions would become effective within twenty-one days unless unanimously vetoed by the Kommandatura. Actions of the Kommandatura were to be unanimous, but each allied commander had the right to take appropriate action in his own sector if unanimity was not reached.⁷⁰ Vishinsky's counter-proposals included placing considerable limits on the function of the municipal government, reserving functions such as control of fuel and electricity and city transport for the Kommandatura, and halted all progress on the Berlin question by insisting on the provision for the rule of unanimity in decision-making in the Kommandatura and ratifying acts of the municipal authorities.⁷¹ This rule had hitherto been the chief

69. Ibid., p.944.

70. Ibid., p.950.

71. Ibid., p.952.

stumbling-block to quadripartite administration. The western representatives therefore believed that nothing could be accomplished if this rule was upheld,⁷² instead of the introduction of majority rule. No agreement was reached as a result of Vishinsky's insistence to maintain the old basis for decision-making. Hence, the foreign ministers were unable to reach an agreement on the administrative unification of Berlin, and therefore could not agree on the use of a single currency for Berlin which was to be issued under quadripartite administration.⁷³

Vishinsky proposed discussion on preparing a German peace settlement, but the matter was dropped in view of the foreign ministers' failure to make plans for restoring German unity, which was to precede the negotiations for a peace treaty.⁷⁴ The conference ended in failure as the conferences of Moscow and London had done in 1947. The wide divergence on German policy between the Western Allies and the Soviet Union had not changed, and therefore agreement on Germany was impossible. Although the foreign ministers were unable to reach any agreement on German unity, they issued a joint communiqué pledging to continue their efforts, agreeing that representatives of the four governments at the United Nations would exchange views on summoning another session of the Council of Foreign Ministers while occupation authorities

72. Ibid., p.955-956.

73. Ibid., p.971.

74. Ibid., pp.973-974.

would hold discussions on restoring German economic and political unity with the assistance of German experts and appropriate German organisations.⁷⁵

The four foreign ministers adopted a three point agenda on Germany: German unity, Berlin, and preparing a German Peace Treaty.⁷⁶ They failed on all three points. The Western Allies and the Soviets could not agree on a single plan for restoring the unity of Germany or Berlin as a result of their conflicting viewpoints. Plans for a peace settlement with Germany could not be worked out as a result. Both the Western Allies and the Soviets favoured a restoration of a unified Germany, but on their own separate terms. Points of agreement were presented, but a solution to the German problem could not be agreed upon. The western zones therefore continued on a course to being restored as a sovereign state, and the Soviet zone followed in the same direction.

Preparations for the administrative trizonal fusion of the western zones followed the arrangements for the economic fusion. On 1 September 1948, a Parliamentary Council (as it was re-named from "Constituent Assembly") composed of delegates from the six political parties of the western Länder held its opening assembly in Bonn to prepare the "Basic Law" (Grundgesetz), or provisional constitution,⁷⁷ that would establish the West German government. The

75. Carlyle, Documents on International Affairs: 1949-1950, pp.160-161.

76. Ibid., p.916.

77. Clay, Decision in Germany, p.411.

Parliamentary Council passed the Basic Law of the "Federal Republic of Germany" on 8 May 1949, which was subsequently approved by the military governors on 12 May⁷⁸ and by the Länder of the western zones⁷⁹ before it was officially proclaimed on 23 May.⁸⁰ The way to a West German government was paved, subject only to the election of a national parliament. Federal elections were held in western Germany on 14 August 1949, in which the CDU won a majority of the vote.⁸¹ On 21 September, the three high commissioners of the western occupation powers, replacing the military governors, announced that the Occupation Statute was in force.⁸² Trizonal fusion took place simultaneously as the West German government began to operate,⁸³ and the Allied military administration of western Germany came to an end.

The creation of a West German government was countered in the Soviet zone by creating a new separate state for eastern Germany. The western example of setting up a national economic administration was followed by forming a German Economic Council on 4 June 1947 to coordinate the central

78. Germany 1947-1949, p.280.

79. Ibid, p.282.

80. Ibid., p.283.

81. Ibid., p.321.

82. Ibid., p.323.

83. FRUS, 1949, Vol.III: Council of Foreign Ministers; Germany and Austria, p.181.

economic planning of the Soviet zone.⁸⁴ Its base was broadened on 12 February 1948 to include additional representatives from various organisations and was given the responsibility to create a permanent executive body.⁸⁵ A governmental executive body, the People's Council, composed solely of members of the SED, was set up by the Second People's Congress on 25 March 1948. Elections for the People's Council by the Third People's Congress were held in the Soviet zone on 30 May 1949, and adopted a constitution for the new German Democratic Republic on the same day. On 7 October 1949, the German People's Council was reconstituted as the Provisional People's Chamber of the new German Democratic Republic,⁸⁶ thus establishing a provisional national government for the Soviet zone. On 8 October, general Chuikov, the supreme chief of the Soviet Military Administration announced that the functions of the Soviet Military Administration were assumed by the Provisional Government of the German Democratic Republic, and a Soviet Control Commission would be established to replace the Soviet Military Administration which would be "...charged with exercising control over the fulfillment of the Potsdam and other joint decisions of the four powers in respect to

84. Becker and Lange, Dokumente aus den Jahren 1945-1949, p.468.

85. Ibid., pp.585-586.

86. Ruhm von Oppen, Documents on Germany under Occupation: 1945-1954, p.420.

Germany."⁸⁷ The division of Germany between east and west became complete.

A permanent division of Germany into a federal parliamentary western state and a centralised Communist eastern state took place as a result of the occupation powers' inability to determine a common agreement for a single unified government for all of Germany. The Western Allies pressed for the restoration of a central German administration without the consent of their Soviet ally, with whom agreement seemed to be impossible due to divergent policies between them. The principal divergence was their adherence to essentially conflicting and irreconcilable political ideologies - capitalism and communism. This ideological conflict divided the country in which the occupation powers pledged to cooperate in restoring a democratic government. Unfortunately, the occupation powers could not agree on a practical implementation of this objective, or any other objective that they had planned to accomplish at the Potsdam Conference. The French pressed for their own separate objectives which were swept away by the tide of the new postwar international situation. American economic aid satisfied the need for French economic recovery as well as for western Europe, which also caused a division of Europe into those countries that had or had not accepted economic aid from the United States. Countries that received American economic aid also joined the U.S. in a political confrontation against a separate bloc of nations led by the

87. Ibid., p.421.

Soviet Union which severed all ties with the western bloc of nations. The German Democratic Republic, created under Soviet auspices, joined this bloc. A political and economic system incompatible with the organisation of eastern Germany was set up in the western zones which became the Federal Republic of Germany. Having been unable to restore a unified Germany that was envisaged at Potsdam in 1945, the occupation powers settled for a provisional arrangement by which they created a German state that conformed to their respective viewpoints.

Conclusion

The Allied occupation powers imposed their authority on Germany after the demand for unconditional surrender was met. Germany's fate lay in their hands. A new democratic and peaceful Germany was to be restored under the supervision of the occupation powers. But their plans for postwar Germany that were set at the Potsdam Conference in the summer of 1945 could not be fulfilled. The Allies acted in concert during the Second World War in spite of their ideological differences in order to bring about a common objective - the defeat of Nazi Germany. The spirit of wartime cooperation between the Allies disintegrated in the postwar international situation, in which the conflicting policies of the occupation powers came into play, which consequently undermined postwar cooperation in Germany. The joint Allied solution to the "German Problem" that was envisaged at Potsdam could not be put into practice.

The purpose of this study has been to demonstrate how the postwar conflict between the occupation powers was related to the division of Germany. The problem of dealing with Germany after the Second World War was placed under thorough study during the war. The deliberations initially called for the dismemberment of Germany as a way of imposing a safeguard against future German military aggression by weakening the concentration of power. It was later decided that the policy of dismemberment was counter-productive, since weakening the German economy would hinder the postwar economic recovery of Europe as a whole. Furthermore, an artificial dismemberment of Germany had to be maintained by force at the Allies' expense.

The policy of dismemberment was withdrawn shortly before Germany's surrender. Rather than weaken or destroy the German state, Allied planners recommended the eradication of all vestiges of Nazism and the elimination of Germany's potential to wage war, before restoring Germany as a unified and democratic nation which would use its resources in cooperation with the peaceful community of nations. The German state effectively ceased to exist as a result of the political vacuum that was left by the unconditional surrender of the Nazi régime. This vacuum was filled by the joint four-power Allied postwar administration of Germany, which was to be in place until a democratic German government was restored under the auspices of the Allies in accordance with the policies that were determined by Allied policy-makers in the Potsdam Conference.

The Allies soon encountered difficulties in fulfilling their plans for the reconstruction of postwar Germany. The French and the Soviets initially undermined the implementation of the Potsdam Protocol by pursuing their objectives in Germany that were not in accordance with the Protocol. After four-power cooperation in Germany had come to a standstill, the British and the Americans introduced policies that overrode the guidelines set in the Protocol. The Potsdam Protocol had been intended as the Allied "blueprint" for the reconstruction of Germany; but inherent flaws also impeded its implementation. The reparations agreement undermined the possibility of the Allies treating Germany as a single economic entity; it lacked safeguards that could prevent the implementation of unilateral policies

by the individual occupation authorities in their respective zones, which consequently prevented a uniform economic and political development of Germany as a whole; and the power of veto in the Allied Control Council had a paralyzing effect on implementing uniform policies for Germany as a whole.

Germany was initially divided into four separate parts - zones of occupation - but was to be administered as a single entity. This proved unfeasible in view of the fact that the separate occupation powers undertook individual actions, and disagreements between the occupation powers brought the Allied administration of Germany to an impasse. Inter-Allied cooperation was initially hindered by the French government, which had not taken part in the Big Three planning for postwar Germany, and sought to impose its own policies concerning the "German Problem". The French plans for Germany were later swept away by a change in the international situation - the advent of the Cold War - by which the Soviet Union overshadowed Germany as the ultimate threat to the security of France and of the western world as a whole. Although the French hindered the implementation of Allied policies for Germany by the use of the veto in the Allied Control Council and in the Council of Foreign Ministers, the Soviets posed a greater threat to the reconstruction of Germany. The Soviet occupation authorities impeded the economic recovery of their zone by drawing reparations from current production rather than allowing for the restoration of a favourable trade balance and economic self-sufficiency for Germany that was envisaged at Potsdam, and thus threatened the economic recovery of Germany as a whole.

Although the Potsdam Protocol called for the restoration of German political life on a "democratic basis", the political life of the Soviet zone was organised on Soviet ideological lines as a step toward the "sovietisation" of Germany as a whole. This caused a breach with the western zones that were reconstructed on a parliamentary democratic model.

The Western Allies and the Soviets implemented separate policies in Germany, which consequently made administering Germany as a single political entity impossible. The political life of the western occupation zones and the Soviet zone evolved in separate directions as a consequence of the respective objectives and ideologies of the occupation powers that were introduced in their zones of occupation. The political reconstruction of eastern and western Germany on the basis of two incompatible political systems brought about a de facto division of Germany between east and west. The east-west division of Germany became an accomplished fact after efforts to reach any agreement on Germany between the occupation powers in the Allied Control Council and at the international level in the Council of Foreign Ministers had failed. Efforts to put the Potsdam Protocol into practice were met with obstruction and circular arguments that led to an estrangement between the occupation powers, leading to a complete breakdown of cooperation and an open conflict by 1948. Germany was caught in the cross-fire of this conflict.

It became evident that the Western Allies and the Soviet Union could not administer Germany jointly, and therefore the Allied occupation of Germany led to an alternative provisional settlement that displaced the Potsdam Protocol on

Germany. Since the Soviets' actions in Germany were incompatible with those of the Western Allies, the Western Allies were drawn together in their planning for Germany. Having been unable to reach agreement on the postwar political organisation of Germany and assuming that the policies of the Soviet Union would not change to accommodate the viewpoint of the Western Allies, the latter sanctioned the division of Germany by creating a West German state that suited their ideological criterion for a "democratic state" that would not come under the domination of the Soviet Union, just as Soviet influence had extended to eastern Germany. The consolidation of political interests was repeated in the Soviet zone, the Soviet sphere of influence, with the creation of the German Democratic Republic under the auspices of the Soviet Union. This alternative settlement would be in place until a common agreement could be reached between the governments of the former occupation powers.

The "Iron Curtain" in postwar Europe descended over Germany as the former wartime Allies imposed separate solutions to the "German Problem" as a consequence of the Cold War. The failure of the four occupation powers to agree on common policies for the economic and political unity of the four zones of occupation that were to lead to the restoration of a German state culminated in the division of Germany into a western and an eastern state by their respective patrons who stood on opposite sides of the Iron Curtain. A peace settlement between the Allies and Germany that was planned at the Potsdam Conference never materialised, as the former Allies confronted each other in

the postwar international situation, in which the conflict between the two power blocs overshadowed Germany as the postwar threat to peace.

The western occupation zones and the Soviet zone coalesced into opposing pawns in an international game of world-power politics, integrated into the two opposing power blocs. The admission of the BRD into NATO and the admission of the DDR into the Warsaw Pact in 1955 made the integration complete. The advent of the Cold War in Europe led to a change in the form of the "German Problem". The problem became a question of how the two German states were to be reunited. This problem has only been resolved in the recent past by the collapse of the eastern power bloc and the signing of the Treaty on Final Arrangements in Relation to Germany on 3 October 1990, which allowed the eastern-bloc-oriented German Democratic Republic to become integrated with the western-bloc-oriented Federal Republic of Germany, and thus the unity of Germany that was envisaged at Potsdam has been achieved.

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