

**Wilfred Burchett. 1950**

**Warmongers Unmasked:  
History of Cold War  
in Germany**

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## Part 1

### Note on the Author

Wilfred G. Burchett, Australian author and journalist, who in a few months will be visiting Australia on a lecturing tour to promote Peace and International Co-operation, has had a colourful career.

Born in Melbourne in 1913, his first experience after leaving High School was to encounter "The Great Depression," which sent him with a swag on his back to many parts of Australia, from the dairy farms of the South to the cane-fields of the North, seeking work and bread.

He had a flair for languages which later enabled him to fulfil the dreams of his youth of becoming, by travel and study, a citizen of the world with universal friendships. Wherever he went in those hard times his studies in languages continued, and at the age of 24 he had mastered French, Spanish and Italian, and had saved enough money to buy a one-way ticket to London. After a period of near starvation, he secured a position with Thomas Cook and Son, in which his knowledge of languages was invaluable. Within eighteen months of landing in London he was appointed traffic manager of Orient Lloyd Tourist Agency.

This work brought him intimately in touch with refugees fleeing from Hitler's terror. The tragic plight of those left behind, as pictured by the stories of these refugees, determined Burchett to resign his position and go to their assistance. He set up an organization to obtain visas in other countries and then entered Germany, and was responsible at great personal risks for devising ways and means which enabled many of these otherwise doomed people to escape. His last journey out of Germany nearly cost him his life. He was searched by the Gestapo in his carriage just before the train moved out of Berlin, the day after Hitler decreed that the removing of valuables and securities was a capital offence. In spite, however, of a vigorous search they failed to locate his plant. This ended his work in Germany, for he was now a marked man. In 1938 he returned to Australia and entered journalism, and soon achieved a foremost position. In 1940 he was sent by A.A.P. to New Caledonia

to cover the rising of the Islanders against the administration of the Vichy Government. It was there he wrote his first book, "Pacific Treasure Island." This book was published in Australia (Cheshire & Co.), India and the United States, where it was accepted as an authoritative work on New Caledonia.

His political foresight drew him, on his own initiative, to China, just three months before Pearl Harbour, and his first despatch from there won him his position as war correspondent for the London Daily Express – the paper with the greatest daily circulation in the Western world, 3,800,000. Whilst in China, he met all the leaders of the New China, and became a firm friend of Madam Sun Yat-sen, who, when he was later badly wounded in Burma, had flowers sent to his room in the hospital in India.

When the Chinese troops marched into Burma to assist the hard-pressed British, Burchett marched with them. It was too late to avert defeat, and he found himself, with George Rogers, a "Life" photographer, trapped by the Japanese. To escape, they took to the jungle, and guided by Naga headhunters, they reached India after seven days of terrible experiences in country and over mountains never before travelled by white men.

In the second phase of the Burma campaign he was severely wounded – shot up in a sampan by Japanese planes. He still carries with him slugs of metal around the lining of his heart from thirteen bullets that ploughed across his back and badly mangled his leg. His experiences in the Burma campaign are recorded in his second book, "Bombs over Burma," which was published in Australia and India. While in India he met that remarkable character, Major-General Wingate, and they became fast friends. Wingate's famous army, supplied entirely from the air, made military history in the Burman campaign, and finally enabled the tables to be turned on the Japanese. Burchett's intimate knowledge of Wingate and his campaign enabled him to write a book, "Wingate Adventure," which was described by the "London Observer" as the best life of Wingate written, "which made that extraordinary character intelligible to his critics and satisfactory to his friends." This book was published in Australia, India and Great Britain, and had a circulation of over 20,000.

After Pearl Harbour, he was assigned by "Daily Express" to the American Fleet and was with the fleet all through its great engagements, and landed with the marines in their attacks upon the various islands. When the British Fleet went into action in the Pacific, Burchett was transferred to the "King George V," and was on her when she was struck by a suicide plane.

His last war experience is counted one of the greatest journalistic scoops of the war. Whilst the Japanese surrender was being signed on the "Missouri", he made a one-man journey to Hiroshima, and on the site of the stricken city wrote the first horrifying description of an atom-bomb explosion.

Burchett's experiences in the Pacific war are told in his fourth book, "Democracy with a Tommy Gun". This book has been published in Australia, Poland and Germany.

At the close of the war, Burchett was appointed Special Correspondent to "Daily Express" in Europe, and for three years his headquarters was in Berlin. What he has seen and heard there he tells in a book just written, "Cold War in Germany". This book is a terrible indictment of the policies of some of the Western Powers and shows where the responsibility principally lies for the present breakdown. To ensure mass distribution of this important book, "World Unity Publications," Melbourne, is producing it in a series of pamphlets, which will shortly be on sale in Australia. Although the manuscript has only very recently been completed, it has already been accepted by publishers in London, Paris, Germany, Bulgaria and Australia.

During the last eighteen months, Burchett has been behind the "Iron Curtain," representing some of the largest and most important papers of U.S.A. and Great Britain, with his headquarters in Budapest, Hungary. This vital story is told in his sixth book, "The People's Democracies," the manuscript of which is on its way to Australia and will be published by World Unity Publications.

At the moment, Burchett is in Italy, and from there goes to France to write the story of countries under the Marshall Plan. This book he will complete when he arrives in Melbourne in September next.

## Introduction

Five years after the war against Fascism, the world is divided into two camps again. Under the guise of an Atlantic Pact of “defence” an anti-Cominform Pact has been signed by the Western Powers as dangerous to world peace as the anti-Comintern Pact of Hitler and Mussolini. The reasons given by the American and British architects of the pact are the same as those given by Hitler and Mussolini, architects of the anti-Comintern Pact – to defend peace and halt Soviet aggression.

In the United States particularly, supporters of the pact use similar language, and phrases as belligerent, as those used by Hitler and Goebbels when they called for a world crusade against the Soviet Union.

Open attempts are made to line up the defeated Fascist states on the side of America and Britain in another attempt to destroy the Soviet Union and the Socialist states set up in Eastern Europe as a consequence of the defeat of Hitler Fascism. Germany, Japan and Italy are expected to supply much of the man-power in a renewed assault against the Soviet Union.

A bewildered man-in-the-street in England rubs his eyes and asks himself how and why such a state of things has come about. He rubs his eyes in astonishment when he reads that Germany, Italy and Japan, newly democratised and Christianised, are now the “good” countries and must be his allies against the “wicked” red Russians. Government propaganda from the West, repeated in sections of the press, tells him he is menaced by the same forces which in the hour of England’s greatest danger, he recognised as his greatest friends and deliverers. Twice in 35 years Russian forces have combined with British to resist German aggression. In World War 2, the Soviet Army saved Britain from defeat. But now the fighting is over, the man-in-the-street is told he must make sacrifices to build a strong Germany against the Russian Reds.

He knows Soviet “red” remained the same colour before, during and after the war, and that it never did him or the English people any harm. But he is asked to believe that Nazi “black” has been transformed into a democratic and Christian “white.” Despite strenuous efforts by Britain, led by Mr. Churchill, to destroy Soviet power in its infancy 30 years ago,

the Soviet Union has not menaced Britain and has not menaced America. But, less than five years after Germany's attempt to enslave the world and turn Western Europe and England into slave colonies was defeated primarily by Soviet power, American and British intriguers in Washington, London and Berlin, deliberately destroyed the basis for continued four-power unity; deliberately tried to turn the world against the Soviet Union, and even tried to stage incidents that could have led to a new world war. The primary excuse given was to save Germany from Bolshevism; stop the "red flood" from advancing to the Rhine.

Part of the purpose of this book is to expose these intrigues as I watched them develop, day by day, during over three years of reporting for an English national newspaper in Germany, after the end of the war.

The deliberate and sustained effort to turn the American and British people against the Soviet Union came as no surprise to any observers who spent, as I did, the war years among American and British professional officers in many parts of the world during World War 2. The deep uneasiness they felt when fresh arrivals from home brought news of the pro-Soviet feeling at the inspiring Russian victories, was a bad omen for post-war developments. How many times did I hear in officers' clubs in India: "It's dreadful the way everybody's gone 'Bolshie' at home, old boy. Bad outlook for after the war." Later one heard the same types relate with deep satisfaction in the officers' clubs in Berlin: "When our lads get back from here with the Russian atrocity stories they've picked up from the Germans it'll soon stop all this pro-Russian nonsense." The "glorious and gallant" ally feeling died away among the professional officer class before the last shots had been fired on the Western Front.

That there were good grounds for the "pro-Russian nonsense" right up until the last days of the war was admitted often enough from the very highest sources. As so much has been "forgotten" during the past five years, one is tempted to quote from the exchange of telegrams between Mr. Churchill and Mr. Stalin in January, 1945, when British and American armies were faced with another Dunkirk.

While part of British strength had been diverted to Greece to suppress the ELAS/EAM forces, which had borne the brunt

of the fight against the Germans, von Rundstedt opened his Ardennes campaign, smashing through the Allied lines in a blitz offensive. He smashed the American 1st Army with his first blows, pressed on in the direction of Liege, and was in a fair way to break through to Antwerp, isolating the American 9th, the Canadian 1st, and British 6th armies. The Allies were faced with a dreadful defeat with the prospect of another Dunkirk and the evacuation of their forces from the Continent. The Americans alone lost 90,000 killed and wounded.

On January 6th, Mr. Churchill begged Stalin for help. One could imagine that Mr. Stalin, having waited for three years for a second front to take some of the strain off the Soviet armies, might have been content to allow Mr. Churchill to wait. He was well aware of the bitter objections put up by the British Prime Minister to every proposal for a second front. When Roosevelt pressed for action, Churchill grudgingly gave assent to a second front – but in the Balkans.

Even after the date was finally fixed for the landings in France, they were twice postponed. Mr. Stalin must have been well informed about opinions in Washington and London that it was best to let the Germans and Russians slog away at each other until both sides were exhausted. The Western Allies could then step into Europe and take over the role of policeman in the whole of Europe and dictate terms of economic help to a broken Russia, which would force her to abandon the Soviet system. These views were well enough public in the American press for Mr. Stalin to have had them in mind when he received Mr. Churchill's call for help in January, 1945. Stalin's armies were resting on the Vistula, having advanced 1,800 kilometres (1,200 miles) from Stalingrad.

"Very serious battles are taking place in the West," cabled Mr. Churchill, "and the Supreme Commander may be forced at any moment to take grave decisions." He begged Stalin to start an offensive on the Vistula front "or any other point during the month of January."

Stalin received the message on the evening of the 7th, and replied within a few hours, the same night. He pointed out that the weather was unfavourable for the Russians to exploit their superiority in aviation and artillery; that they were preparing an offensive, but in view of Mr. Churchill's plea, he would speed

up preparations regardless of weather conditions. He promised an offensive in the second half of January at the latest. "You can be sure," he concluded, "that we shall do everything possible to aid the glorious troops of our Allies."

Mr. Churchill, replied, on the 9th, thanking Stalin for his "moving message".

Marshal Stalin was better than his word. The great Soviet offensive from the Baltic Sea to the Carpathian mountains rolled into action on January 12 – still in the first half of the month, five days after Churchill's request had been received. One hundred and fifty Soviet divisions took the offensive, smashed through the German lines and flung the Germans back in some places hundreds of kilometres in a few days. The Rundstedt offensive was stopped in its stride. The 5th and 6th German panzer armies were rushed to the Eastern Front; pressure on the retreating allied armies was immediately relieved. After a breathing spell they were able to take the offensive again.

Churchill was full of gratitude on this occasion, and on January 17 sent a telegram to Stalin expressing gratitude and congratulations from "His Majesty's Government and from my own heart."

The great service rendered by Marshal Stalin's armies was afterwards to be paid by Mr. Churchill in other coin, in his Fulton speech demanding a world line-up against the Soviet Union. Mr. Churchill switched in fact as quickly as he did after World War I, when he sent his armies of intervention to destroy the Soviet revolution.

This exchange of telegrams between Churchill and Stalin three months before the war ended is now history, but it has been little publicised. It is worthwhile repeating today to remind the British people that the "pro-Russian nonsense" was well-founded. Part of the purpose of this book is to show that just as Marshal Stalin kept faith with the Western Allies in 1945 – and indeed throughout the war – so did his administrators keep faith in trying to carry out allied agreements in Germany in the years after the war. The failure was not on their side.

Western administrators in Germany, with help from London and especially Washington, took part in a deliberate conspiracy to split the world into two camps; to destroy the

goodwill of the masses in America and Great Britain towards the Soviet Union; to deprive the Soviet Union of the reparations due to her; to isolate her from the western world. There was a deliberate conspiracy to restore the regime of the Junkers and Ruhr industrialists in Germany; to prevent any of the social reforms long overdue in Germany, and there was a conspiracy to prepare Germany for a future base of aggression against the Soviet Union. Some facts relating to this conspiracy are contained in official United States documents quoted in the chapters which follow.

The Soviet Union is charged before the bar of world opinion by the Western Powers, as being responsible for all the breakdowns in international relationships; the great barrier to unity and understanding. The leading statesmen of the western world have all accepted the roles of counsel for the prosecution. A large proportion of the western press and other organs of information and propaganda are submitting evidence for the prosecution, which is neither challenged nor cross-examined. It is evidence which is being used to build up a case for war against the Soviet Union, which is war against the whole of humanity.

This book goes in as evidence for the counsel for defence. It is but justice that the character of the witnesses upon whose unchallenged evidence world statesmen are basing their judgments, should be revealed and the value of their evidence determined by their activities as I watched them in Germany.

I can see the word "traitor" forming on some lips as the book is read. It will be charged that some material should not have been published, some secrets not revealed "in the public interest." As I interpret the role of a journalist or writer, his duties far transcend those contracted with his newspaper or publisher, or those wished on him by Foreign Office or State Department. His wider duties are to the general public, and in times of peace, that means the world public. This conception needs restating today when there is an increased tendency to turn correspondents into political warfare agents.

Those who cry "traitor" because information revealed does not suit the Foreign Office or State Department, might well ponder whether the latter always follow policies which are in the best interests of their own peoples and those of the world

at large. My own belief, for instance, is that Mr. Berth's foreign policies have been and are still every whit as dangerous for the people of Great Britain and for the peace of the world, as were the policies of the late Mr. Neville Chamberlain during the period from Spain to Munich. I should be very loath indeed to suppress information because it conflicted with the policies of Mr. Bevin; but more and more in recent years correspondents are expected to suppress such information.

History will one day decide who were the traitors in Germany from 1945 onwards. Traitors were those who betrayed the hopes of the whole progressive world for peace and continued co-operation with the Soviet Union. Traitors were those who betrayed the policies on which they were elected by the general public in America and Britain. Traitors were those who sabotaged the policies of their own governments, while acting as administrators in Germany. Traitors were those who evaded even orders given by their own military governors in Germany when these orders conflicted with the interests of Anglo-American and German capitalism. These are the traitors, not those who disclose their intrigues. Some of them are named in the chapters which follow; their actions are clearly traced and documented. They are guilty men who should be content that they live in countries where a too generous view is taken of public servants who betray the trust vested in them.

A book at this stage can only lift a tiny corner of the curtain covering the intrigues and machinations of agents of a hundred conflicting vested interests, parading in the uniforms of generals, colonels and control commission officials. They were sent to Germany to ensure that Nazism should be eliminated; that German reparation be made for part of the crimes committed; to ensure that German militarism be destroyed and that Germany should never again disturb the peace of the world. From the western side these aims were lost sight of in the first months of occupation. Indeed they were at variance with the personal views of most of the top-ranking control commission personnel. The task for them seemed to be to find some way of avoiding the implementing of the Potsdam decisions, without officially disowning Potsdam.

The Russians from first to last had a clear line of policy based word for word on the Potsdam decisions. Their policy

was to destroy the traditional base of German militarism by dispossessing the Junkers and industrialists; to demilitarise their zone; to exact reparations as promised; give the land to the peasants and the industries to public ownership; punish the war criminals and drive the Nazis out of every public office. Every action taken in their zone was taken with a view to security, and was in accord with the principles of Potsdam and the needs of world peace.

American policy under General Lucius Clay swung in a 180-degree curve from the Morgenthau plan of ruthless destruction of industry and the transformation of Germany into an agricultural state to the Marshall Plan and the Atlantic Pact of restoring her heavy industry; giving her priority in dollar help to contribute to the rearmament of Europe.

British policy vacillated from an early independent line and promises of socialisation in the Ruhr to such complete subservience to the Americans that, the Military Governor, General Robertson, was dubbed by wits "The General with Feet of Clay."

While these remarkable contortions and somersaults were being performed by the western team, the world public was deceived into believing that it was the Russians who were behaving in such an astonishing fashion. Every western departure from Potsdam was preluded by a shower of reproaches about some fresh Russian "betrayal." As the press were excluded from all four-power meetings, the public received only such information as carefully-briefed press officers were permitted to give us; information which invariably presented the Russians as "hopeless villains." Only when some American officials, left over from the Roosevelt New Deal days, reported back to Washington on some of the "goings on" and commissions of enquiry were appointed, did facts come to light which showed just how much press and public were being fooled. The full story, however, will only be told when the full minutes of all four-power meetings are published.

Unfortunately no such commissions of enquiry were set up to check on the activities of British administrators. Recently, however, the British press, has started to send up alarm signals about the growth of nationalism and anti-British feeling in the western zones. Nationalism, of course, was "healthy" so long as

it was directed against the Russians or Poles – but how did it get out of hand?

The press might well ask and keep on asking and even, demand a commission of enquiry to determine how all this came about. The answer would be that apart from a few conscientious officials, the administration in Germany, with the help of the British Foreign Office, turned its backs on the main principles of Potsdam and have rebuilt in Western Germany exactly the same type of state which handed over power to Hitler. The men of Bonn are the men of the Ruhr barons, with much more open support from American financial interests than even Hitler had in the early days. An aggressive, nationalist Fourth Reich has been set up, lacking only the weapons to set out on the road to conquer Eastern Germany, then the lands beyond the Oder-Neisse Line, Sudetenland, and on to the old “Drang Nach Osten.” They talk about it openly already. That is what the conspiracy has accomplished thus far, but even this is short of the target which some of the “lunatic fringe,” particularly at U.S. headquarters in Berlin, had hoped for. The division of Germany, the tearing up of Potsdam; the setting up of a neo-Nazi regime, is a long way behind the target which had been set for the end of 1949.

The more sinister stage of the conspiracy was to plunge the world into a third world war over Germany. The representatives of the pro-war set in Washington and Berlin knew the difficulties of formally starting an aggressive war. Only Congress can declare war. Even Truman, with his extremely wide powers, cannot declare war without first receiving congressional approval. General Clay and his entourage, supported by War Department big-wigs from the late War Minister Forrestal downwards, plotted against the State Department, against Congress, and against the American people for an early war.

The only way to get America into war was to get the war started first, and seek Congressional approval after. Clay was certain he would not be let down. And that was the meat-and-bones of the conspiracy in Berlin. “We’ll make of Berlin a Pearl Harbor,” boasted Clay more than once to his confidantes. With fighting started in or for Berlin, he was sure public opinion could be swung around to his support. That is why he fought tooth and nail against any settlement of the Berlin question.

With the connivance of the War Department, General Clay had powers wide enough to start a shooting war. The British, and even more so the French, were a little nervous when it came to the point of the first shots to be fired, and General Clay's scheme for sending an armed task force to "bust its way from Helmstedt to Berlin" was received coldly by his allies, and even more frigidly by the U.S. State Department when it got to hear about it.

Fortunately a breathing-space for world peace was won by a heavy vote in favour of peace in the United States when voters rejected the Republican presidential candidate at the November, 1948 elections. One of the most vocal of the pro-war clique, the late Secretary of Defence James Forrestal, went completely mad and committed suicide, others including Forrestal's assistant, General Draper, Minister for the Army Royall, Minister for Air Symington, General Clay, and the Commandant of Berlin, Brigadier-General Howley, were either removed from their posts by an anxious Truman, or resigned because their policies were outdated or premature. History will show whether "outdated" or "premature" is the correct description of the Clay strategy.

## Prologue

The knotted rope dangling from the back of the Skymaster "Airlift" plane was greasy and black with coal-dust. A black-faced, sweating German, chewing gum, gave a final flirt with his broom and a shower of coal-dust settled over my face and clothes. My baggage had already been tossed aboard. An American crewman shouted down.

"Better hang on to the rope, Bud, and climb aboard. We're ready to start up."

The German grinned. "I was with our Luftwaffe. They're the same as our fellows were. The very devils for efficiency." In my civilian clothes he had confided in me as one German to another.

The plane was second in a line of eight parked in front of Tempelhof airport, Berlin. As I started to clamber up the swaying ladder, the plane ahead lumbered off, its wings flapping slightly as it taxied towards the take-off runway.

It was mid-April, 1949, a cloudy, gusty day with patches of blue between the clouds. "Slim," the pilot, was a lanky, brown-faced, cheerful Texan, "Mac", the co-pilot, a Californian with smooth, fat cheeks just developing into jowls. He looked as if he had been reared on apple-pie and ice-cream and would melt away if left for too long in the sun. Both were in their early twenties.

"Three-minute take-offs today," roared Mac, above the noise of the engines now being warmed up. He shook his head ominously and pointed ahead at the cloud masses. As soon as we were up in the air, Mac turned round to me, wiping his forehead, the flex from his earphones hanging loose on his chest.

"Three minutes in front of us is a god-damned Skymaster," he said, "three minutes behind is another one, all at our height. Down there somewheres," and he stabbed with his earphones towards the clouds beneath us, "there are 'Limey' Yorks flying the same corridor, down below them are Dakotas. We're piled up one atop the other like quoits on a peg and following one another like a string of freight cars. Whoever cooked up this airlift business should have a propeller stuck to his behind, a hunk of coal shoved in his mouth and left to fly the corridors himself."

At 6,500 feet, the plane evened off, pilot and co-pilot lit cigars and relaxed. After half an hour's flying, through a hole in the clouds, we could see the Elbe, a silver band laid across strips of brown and green. Spring ploughing was already finished in the Soviet Zone and winter wheat was well above ground.

"America's new frontier", the pilot said, pointing to the river, "or at least that's what the 'brass' in Washington try to sell us. What's going on here, anyway? I came this way in the war and we didn't carry no coal or flour those days. When were we right? Then or now? It sure beats the hell out of us. What the hell is all this about? Seems to me like some son of a bitch in Washington just opened his big trap too loud and let us pilots carry the baby – or, in this case, the flour and coal. Why are we so tender about these Krauts in Berlin all of a sudden? They were trying to wipe us all out not so long ago. And do I find any of them saying 'Thank you'? Hell, no. Most of them just ask for more. Some of them say we're even doing them a

bad turn by making dollar debts for them. America's frontier on the Elbe! Horse shit! The 'brass' landed us in all this. Let them get us out of it and let's go home. What you say, Mac? "

And Mac, the co-pilot, who was now flying the plane and about to veer south-west as we passed over Brunswick, grunted very hearty and definite assent.

The night before I had visited a cinema in the Soviet sector of Berlin to see a new Soviet film, "Meeting on the Elbe." It was a mixture of the true and the fantastic; of realism which was almost documentary and propaganda which was only a slight departure from reality. The types it mirrored were types which existed in American military government. It was the work of a skilled caricaturist. It was a film to make one weep for its implications; the chances lost, the hopes destroyed. It was the background to disillusionment, the explanation of the "air-lift." Running through the story, despite some exaggerations, there was a strong shaft of bitter truth

To pass the time, there was still an hour to go before we put down at Frankfurt, I related some of the incidents from the film. The hilarious enthusiasm of the meeting between Russian and American soldiers at the Elbe. With a background of a shattered town, still burning German tanks, and swarming, bewildered refugees, American soldiers are shown plunging into the Elbe to swim across to greet their Russian comrades. Soldiers are shown exchanging caps and decorations; Americans drinking Russian vodka, Russians drinking American whisky. The film showed throughout a high degree of friendliness between the ordinary soldiers and non-coms., and frequent visits, in the early days, across the Elbe to celebrate at each other's parties. One American officer is shown as having good and correct relations with his Soviet opposite number.

From the beginning of military government in this town, through which the Elbe slices, the Russians are shown as giving preference for administrative jobs to German workers who had suffered in concentration camps, while on the American side the Nazis are retained in office.

When a "Wall-street General" arrives with his wife, as U.S. Military Commandant of the town, fraternisation between Americans and Russians soon comes to an end. The Americans are encouraged to form friends with former Nazis instead.

Intrigues start against the Russians; a blonde spy is introduced to try and recruit a Russian lieutenant as an American agent. A realistic picture of American black-marketeering is given; the General is more interested in playing the American stock market and acquiring German loot than in the problems of military government. His wife divides her time between black-marketeering and having her portrait painted in a series of period costumes in the style of various German empresses.

An American-inspired attempt to steal formulae belonging to a German chemist, placing the blame on the Soviet lieutenant, is foiled by an alert German worker. The pro-Soviet American lieutenant is disgraced for his friendly relations with the Russians, the blonde is unmasked as a Colonel in the U.S. Army, relations between the two banks of the Elbe are finally broken.

The pilots thought the film must be amusing, but some parts made them angry. When I described the scene where a drunken U.S. captain marks with a piece of white chalk the precious paintings, furniture, and eventually, the girls, he is requisitioning for his Colonel, they found it uproariously funny. Mac said, "Damned if they haven't hit the jack-pot with that one. A Colonel from my home-town was sent back for doing just that sort of thing, but I guess he was out of luck. Most of them got away with it."

Yes, the film had its funny moments, but its implications were tragic.

"Just where did everything go 'kaput' between us and the Russkies anyway?" asked Mac.

Fortunately for me we were just about to make the approach to the airfield at Frankfurt. I was embarrassed to even attempt a short answer to that question. For three years and three months, with a few breaks in the Balkans, I had been in Berlin as a correspondent, watching the workings of four-power government and the reactions of Germans, but to give the complete answer to Mac's question, I was not equipped nor is any other correspondent there during that period. The whole truth on critical questions was never available to the press. Public relations officers, whose duty it was to inform the press, acted more as agents of the "cold war" than as a press liaison body. Information to the press officers was often incomplete;

there was a deliberate suppression of facts which should have been available to them. They in their turn were briefed as to how much they could pass on to the press.

The stock answer to Mac's question: "Where did everything go 'kaput' between us and the Russians?" is: "When Council Marshal Sokolovsky led his team out of the Control Council meeting on March 20, 1948." That is not the truth or even a half-truth. It would be as true to say that World War 2 came about because some German soldiers fired shots into Poland.

A correspondent cannot peer into the minds of Bevin, Marshall, Acheson and Co. nor does he have access to the secret written and unwritten agreements made among them. But in Germany it was possible to collect fragments of the results of their policies which, when put together, form a clear pattern of the betrayal of the post-war hopes of the ordinary citizens of all countries.

One thing is clear. If we ignore for a moment the much-publicised causes for the breakdown and the incidents which led, step by step, to the splitting of Germany – and the Allies – at least the results are clear. If one looks at the two Germanys, it is fair to assume they reflect the original aims of east and west. It is not hard to decide which Germany conforms most nearly to that envisaged by Potsdam.

If one can ignore the anti-Soviet catch-cries of "von Paulus armies," "reparations from current production," "Volkspolizei," "concentration camps," "forced labour in the Uranium mines" which were whipped up in the western press and used as a smoke-screen to cover developments in western Germany, one can see a development each side of the Elbe which represents a step by step building up of the sort of economic and political structure that the Russians and the West, respectively wanted.

In Eastern Germany the big estates have been split up and most of them handed over to small farmers, landless peasants and agricultural laborers. A few were turned into State research and breeding farms. The Junkers were dispossessed. Most of them fled to the west, some were arrested by the Russians and concentrated on the Isle of Ruegen in the Baltic Sea, where they could no longer sabotage the land reform laws. Munitions plants were destroyed, many factories taken back to Russia as

reparations, others, which the Russians legally had title to, were left in Germany to work as Soviet-owned enterprises. Most of the rest of industry was nationalised and put under the control of Laender, district or municipal authorities. The greater part of the former owners or directors fled to the West, but in a number of cases they were given good jobs in the nationalised concerns. Chief executive jobs in the factories went to trusted trade union officials; the trade unions had a dominant voice in all factory and mine management problems.

The education system was radically revised; children of industrial workers had priority of entrance to the universities over children of the former upper class. Fusion of the Social Democrats and Communists into the S.E.D. (Socialist Unity Party) placed the latter in a leading political role, but middle-class parties, the Liberal Democrats representing free enterprise and the Christian Democrats representing Liberal Catholics, were also licensed and given an important role in government.

These measures were what the Russians understood as the de-militarisation, de-Nazification, democratisation and re-education of Germans as provided under the Potsdam agreement.

The Russians understood by "democratisation," giving the workers a dominant role in running the factories, deciding production methods, setting norms of work; giving land-hungry peasants a home over their heads and earth to till; providing education for those who in the past had little chance to enter the universities. These measures were more important to them than the formalities of political democracy which ends with every citizen dropping a ballot paper in a box, voting for programmes which are never implemented, personalities who turn traitor to the causes to which they are pledged.

In the West, in some areas, a limited land reform was carried out, but, in general, the princes, counts and barons still live on their estates in their family castles. Despite promises by the British Government, despite the will of the people expressed through the ballot box, no socialisation measures have been carried out. Heavy industry is still by and large in the hands of its former owners. Nazis are back in their old positions in industry and public life – especially in the judiciary. The pattern of life as it was before in Western Germany has

been painfully rebuilt, brick by brick, on the same political, economic and social foundations on which it rested before the war.

Considering the differences in the plans, building methods, traditions and outlook of the builders, it was perhaps, inevitable from the start that the Potsdam Agreement should have been scrapped by the West, and that everything should go “kaput” between the West and the Russians, as Mac had expressed it.

What exists in East and West Germany to-day corresponds roughly to what existed in the minds of Russian and western diplomats when they argued at conference tables in London, Moscow, Paris, Washington and Berlin. More specifically it represents in the West what the Americans had in mind, because both British and French abandoned their independent ideas and surrendered completely to the Americans.

The Americans tolerated independent ideas as long as it suited them and no longer. The French could object to a Central Government for all Germany, as long as that saved the Americans and British the trouble of going back on their agreement at Potsdam. As long as it helped the East-West split the Americans were glad to have the French say “No” to Soviet proposals for unity. Once the split occurred, however, the French had to swallow their objections and agree to a centralised government for Western Germany. In the same way, British ideas on socialisation of the Ruhr were tolerated as long as they did not interfere with American plans. Then they were quickly shelved.

If one had to name the most important single technical reason for the breakdown in Allied unity in Germany, I would choose the fact that France, who did not sign the Potsdam Agreement, was invited to join the other three Powers in putting it into operation. If there was a chance of reconciling east and west ideas on Germany, and the Potsdam Agreement was the hard, legal expression of such a compromise, we scattered our cards to the four winds when we brought in a non-signatory to the treaty as an equal member of the Control Council.

France was able to, and did, veto all the early proposals for the economic unity of Germany. French General Pierre Koenig, who refused even to live in Berlin, sat back in his chair at the

Control Council meetings and refused to agree to any measure which hinted at economic unity. The first steps towards establishing this unity had been agreed on at Potsdam and provided for the setting up of five central economic secretariats to run Finance, Trade, Economics, Posts and Telegraphs and Communications. More than any other single measure the failure to set up these secretariats in the early days signed the death warrant for a united Germany. British, American and Russian delegates spoke in favour of them, General Koenig could puff at his cigar and say, "Messieurs, we never agreed to the Potsdam Agreement. It's no use quoting any clauses of it to me. Why did you not invite us to Potsdam? We would never have agreed to any clauses which would lead to any centralised government of a united Germany."

Although the Russians as usual, were given the blame for the failure to establish the Central Secretariats which would have paved the way for economic unity, it was to the French and not the Soviet Government that the U.S. Secretary of State, James Byrne, sent a note in February, 1946, asking the French to withdraw their objections to a centralised administration in Germany. And General Clay admits in his book, "Decision in Germany," published early in 1950, that it was the French who originally blocked four-power unity. Referring to the Potsdam Agreement, Clay writes:

"Unfortunately it could not become the 'rule of law' for the Allied Control Council. The Council could only act by unanimous consent and one of its members, France, was not a party to and never accepted the Protocol in full. Time and again when it (Control Council, author) would attempt to implement the decisions to which France objected, the French member, in exercising his veto power, reminded us that his government was not represented at Potsdam. On several occasions my Soviet colleagues suggested to me that France was receiving too much financial assistance from the United States to maintain such strong opposition unless it was with our acquiescence ... On the other hand, my French colleague said to us later that ... fortunately the French veto had prevented us from creating agencies (the central administrations, author) which would have been vehicles for Communist expansion ... Perhaps," continues Clay, steering quickly away from this crucial breakdown, "without

the French veto we could have created central administrative agencies for Germany as a whole within the first six months and struggled within and through them for a common economic policy.”

One could be pardoned for harbouring a reasonable suspicion that it was precisely for providing an escape hatch for unpleasant clauses in the Potsdam Agreement that the Western powers, were so anxious to have a non-signatory sitting with veto powers in the Control Council. The Russians were also prepared to have the French present, but in an observing and advisory capacity only, as they were not bound by Potsdam.

In the first few months of Control Committee activities it seemed possible to salvage something of the wartime unity among the Allied Governments. The personalities of the Western Commanders, General Eisenhower and Field-Marshal Montgomery, and of Soviet Marshal Zhukov, were still warm with mutual respect for deeds during the wartime comradeship of arms. Military government at first looked like a smooth continuation of wartime co-operation. The aims were clear; to purge and punish Nazis, castrate Germany as a future military force, exact repayment in kind for some of the war damage. No word of setting up a complex organisation to control every phase of German economic life. No word that we should give Germany top priority in economic recovery. In those early days there was still an aura of the Roosevelt humanity in the American camp; there was a new Labour government elected in Britain sworn to friendship and understanding with Russia. “We of the left ...” said Bevin, and the people understood the British Labour Party standing solid with the Soviet Union in a new era of friendship. Such illusions were soon shattered by those who understood British policy, when the personalities began to arrive in Germany to carry out this “new era of friendship.”

Two key positions went to men associated with the greatest diplomatic failures in modern British history. Political adviser to the Military Governor was Sir William Strang, remembered as the insignificant Mr. William Strang of the British Foreign Office, sent by Mr. Chamberlain to Moscow in the summer of 1939, to calm British public opinion which was demanding a pact with the Soviet Union. The late Mr. Chamberlain took special planes and flew to see Hitler three times when it was a

question of handing over Czechoslovakia to the Nazis. Mr. William Strang, of the Foreign Office, was sent on a long Baltic cruise to Moscow when it was a question of negotiating a pact vital to Britain's security in the eleventh hour when it was still possible to save the peace of the world. When Mr. Strang arrived in Moscow it was obvious from the first that he had come "to discuss pacts and not to sign them." He had no powers, every proposal had to be referred to the Foreign Office, which took up to a week or ten days to send replies to his queries. Mr. Strang's role in Moscow was to play for time for a project much nearer to Mr. Chamberlain's heart to be worked out in Berlin. In the Soviet mind, Mr Strang became a symbol of hypocrisy and official British enmity towards the Soviet Union.

In Berlin, Sir Nevile Henderson and a bright young Embassy secretary, Mr. Christian Steel, were busy trying to persuade Hitler that as long as he kept moving east, he would meet no opposition from the British Foreign Office or Mr. Chamberlain. There would even be financial aid, perhaps a relaxation on the question of colonies. As a token of the financial aid, a Mr. Hudson arrived with offers of £400,000,000 credits for Hitler Germany.

Mr. Christian Steel turned up in Germany in 1945 as assistant to Sir William Strang, the political adviser, and later took over the latter's functions altogether. It was difficult to believe the British Government was sincere in its desire for friendship and accord with Russia when just these two men were appointed to key positions, where in day-to-day contact with the Russians they had to work out common policy. Mr. Steel's former chief, Sir Nevile Henderson, wrote a book before he died, "The Failure of a Mission," which made it clear that the mission failed not through any lack of trying on his part. The mission? To establish closest relations between Nazi Germany and England, even if it meant sacrificing friendships and pacts with Czechoslovakia, France, the Soviet Union, and any other countries which Hitler did not like. Mr. Steel has not changed his strong personal anti-Soviet, anti-Czech, anti-French and extreme pro-Nazi views since the pre-war days.

The Strangs and Steels were accompanied by leading industrialists as economic advisers, by Russian liaison officers with White Russian and army of intervention backgrounds. It

was not compatible with good relations with the Russians that one of the chief liaison officers wore two rows of ribbons, only the last two of which were British decorations, the others won serving the Tsar and the “White” armies of Generals Denikin and Wrangel against the Bolsheviki. This particular officer wore the badge “Intelligence Corps” on his shoulder, and in the Control Council combined buffet made no effort to conceal his hatred and contempt of the Russia of the Soviets. The late Chief of Liaison Protocol, Colonel Caird, also wore his Tsarist decorations at any functions where Russian officials were likely to be present.

How can one square these things with the public declarations that we wanted the friendliest relations with the Soviet Union, and were making every effort to collaborate over the Conference table?

The astounding thing is that the Foreign Office sent to key positions in Germany – and the same applies to Austria – officials who were not only extremely anti-Soviet, but who were quite out of touch and sympathy with developments in England. And who is to blame but the Labour Government if many of these officials deliberately sabotaged official government policy in Western Germany, especially in regard to support of the “socialist” parties and socialisation of the Ruhr?

Even the briefest resume of these things seemed incomprehensible to Mac and Slim and we touched down at Frankfurt airport without their being wiser than when we left Berlin as to why things had gone “kaput,” and why they had to fly their Sky-master two or three round-trips a day between Frankfurt and Berlin.

For me, that plane ride was the end of an era. My assignment in Germany was finished. The next day I was to leave in my little Volkswagen and drive away from Germany back to the Balkans, leaving others to watch the wreckers of four-power unity and the would-be wreckers of peace at their work.

This book is not meant to be an historical, chronological account of Military Government in Germany. At most it can partly answer the questions of the Slims and Macs as to how the parting at the Elbe came about. Correspondents have created much of the fog which has prevented the world public from seeing the pattern which was being laid down in

Germany. For the most part it was not their fault. Newspapers are interested in the sensational and the dramatic; they are interested in news and not explanations. The emergence of two Germanys was a long and laborious process. Explanations followed long after the news and had to be extracted after days of tortuous questioning of reluctant officials. Official Secrets Acts were used as a means of muzzling officials. This book will help amend some of my own omissions in reporting and will expand on some stories which the public read in sketchy or one-sided versions.

### **East-West Train**

There was the usual bustle on the British military platform at Berlin-Charlottenburg station on the night of March 31, 1948. The nightly "duty train" supposed to carry only military personnel or allies accredited to the Control Commission was being made ready for departure. A usual mixture of passengers, soldiers going home on leave, officials going to the British Zone on business, typists going to spend a week or ten days at one of the British leave centres – and a few Germans.

The curious – and a journalist must always be curious – would have noticed that the train guard had been doubled and that just before the train left, the British deputy-chief of staff, Major-General Westropp, arrived at the station, and had an earnest discussion with an R.A.F. Wing Commander, who was the senior officer travelling on the train. Westropp seemed to have left home in a hurry. He was wearing civilian clothes under his military overcoat.

The train left at 8.30 p.m. on schedule, and arrived on time at Marienborn on the border of the Russian and British zones of occupation at 1 a.m. on April 1st. It had been doing so for over three and a half years.

A British sergeant-major stepped off the train on to the platform with a typed passenger list in his hand, as he had been doing for months past. There were a number of blue uniformed Soviet Zone police on the platform and some Soviet officers. The sergeant-major was greeted politely by the officers, and he handed, as usual, the passenger list over to them. A Russian interpreter explained that as from April 1st, the Russians would have to check passengers' identity papers to ensure they

corresponded with the passenger list. The sergeant-major said he was sure British officials in Berlin knew nothing about this as he had received no fresh instructions. He suggested that as it was only an hour after midnight on the 31st, the Russians let the train through.

He produced new cards, attached to the passengers' travel orders, written in Russian, stating that each passenger was accredited to the British Control Commission. The Russian officers were polite but firm. It would only take a few minutes to check identity cards and then the train could proceed. Otherwise not. The sergeant said his orders were not to allow any Russians to board the train.

After half an hour's courteous discussion, the sergeant-major carried out normal instructions by calling the senior military officer on the train. Wing Commander Galloway came out, rubbing his eyes. He also was astonished at the new regulation of which he knew nothing. Neither he nor the sergeant-major knew what I and General Westropp knew – that the Russians had informed the three Allied Chiefs of Staff in Berlin some time before, that as from April 1st, they would check passengers' papers on all trains, including the military trains, before they left the Soviet Zone.

The Russian repeated this to Wing Commander Galloway and looking at his watch, said: "And you see it is already April 1."

The Russians knew as well as anybody who ever travelled on the military trains that the passenger lists did not correspond with the actual travellers on the trains. They knew that German political personalities, allied agents, sometimes war criminals on the Russian "wanted list" were travelling back and forth across the Soviet Zone in the allied military trains, contrary to agreements that the trains were to be used only for allied personnel accredited to the Control Council.

The discussion started all over again. Galloway said his clear instructions were to prevent any Russian from boarding a British military train. The Russians were equally adamant. The train could not continue until identity cards had been checked. Galloway offered to line passengers up at the train window. He would walk along inside the train, and make everyone produce his card at the window, and the Russians could

walk along the platform checking coach by coach. A White Russian interpreter sharing a compartment with me became pale and agitated when he heard this suggestion being made. Although he was in British uniform it seemed he had good reason to keep out of sight of the Russians, so I judged he had probably been a member of the renegade Vlazov army which had fought with the Nazis.

The Russian officer refused this suggestion, however. "If you have nothing to hide," he said, "why not let me walk along with you through the train corridor?"

Inside the train, passengers were beginning to wake up and ask what was going on. It turned out that in addition to several Germans there was another former Soviet citizen aboard who was very apprehensive that the Russians were going to board the train.

The discussion was still polite and friendly on both sides, but after an hour and a half of arguing it was obvious no solution could be reached. Wing Commander Galloway, in accordance with orders received before the train left, asked if he could use the telephone. He was taken to the station office and called the number he had been given by General Westropp to call in case of difficulties. There was no reply. He tried at half-hourly intervals, but still no reply.

More trains were due in, so ours was shunted back on to a siding until morning, when Galloway would try to get hold of officialdom in its office hours.

At 4 a.m. we were joined by the British military train coming into the Soviet Zone from the British Zone. The same discussion and arguments. Then it was shunted in alongside our train. Half an hour later we were joined by an American train, then a French military train and another American train. They were all shunted in alongside the first train and looked like a cluster of submarines at anchor. By this time telegrams were going out alarming the world with a new Soviet "atrocities." The more "Blimp-minded" of the officers aboard the first train were all for "shooting our way through," in Charge of the Light Brigade tradition.

After some hours the French train allowed Soviet officials aboard, passenger lists were checked and it proceeded on its way half an hour later, accompanied by jeers from some British

subalterns, who felt the French were showing “cowardly weakness.” Another American train came in from Bremen and the officer in charge allowed the Russians aboard.

A few minutes later it continued its journey to Berlin. The officer-in-charge narrowly escaped a court-martial when the train got to Berlin.

“It’s an April Fool’s Day joke,” said one optimist, “they’ll send the instructions and we’ll move on after mid-day.”

But by mid-day we were still there. The soldiers lit fires, a train with foodstuffs from Brunswick was allowed through by the Russians, the women passengers opened cans, brewed tea and put up a good open-air lunch. It was a sunny day with the first breath of spring in the air. We sat around on a grassy bank and discussed the situation while officials in Berlin held conferences, telephones buzzed and messages flashed back and forth between Berlin, London, Paris and Washington. Those who had to connect with trains for London gave up as the day wore on without any decision to go back or to continue. Galloway spoke with Berlin every hour or so, but no definite orders were given. A special wireless communication car was shunted through to facilitate communications.

Those few hours, while we dozed on a grassy bank at Marienborn, were decisive in setting the “get tough with the Russian” line of policy. The Russian demands were reasonable and within bounds of existing agreements as we shall see later. The French and American military trains which allowed the Russian control, were allowed to proceed with the minimum of delay. But this for General Clay and Co. was too good an opportunity to miss.

At 8.20 p.m., just about 20 hours after the train had arrived at Marienborn, orders were received to return to Berlin. That was the beginning of the events leading to the blockade of Berlin, and the counter-blockade of the Soviet Zone. It could have been settled by one phone call to Wing Commander Galloway without loss of face for the Western Allies.

The next day most of the passengers started out again, this time in a fleet of Control Commission coaches. Passengers were given the same sort of travel documents, and the coaches were stopped at the Russian check point at Helmstedt, 130 miles from Berlin. This time, however, the Russians were allowed

aboard to check identity cards against passenger lists. (After all, it was difficult to hide Germans or renegade Soviet agents in a glassed-in coach.) The explanation given for allowing Russians aboard the coaches and not aboard the trains was that coaches were civilian, trains military, although the occupants might be identical.

In Berlin, correspondents demanded to know what was the actual legal position regarding control of roads and railways leading from the Western Zones to Berlin, through the Soviet Zone. To our astonishment, we learned there was no legal position. It had been one of the things overlooked in 1945, when the European Advisory Commission, forerunner of the Allied Control Council, framed its agreements on four-power partition and government of Berlin. After much searching through files and archives, somebody dug up copies of notes of a four-power staff meeting where it was agreed that the Western Allies could use the railway and autobahn leading from Helmstedt to Berlin for moving military and control commission personnel and supplies, and that the Russians would be responsible for the "control and maintenance" of the railway and autobahn. They had actually waived their right to control until it became clear that the privileges were being abused.

In Austria the Russians had exercised the right of control from the first days of occupation. As with Berlin the joint occupied capital of Austria lay deep inside the Russian zone of occupation. Identity cards are checked by Russians on all Allied trains, grey Russian passes must be held by any Allies using the motor roads through the Soviet Zone to Vienna. No difficulties have arisen because of this. Allied trains and motor transport have moved back and forth without a hitch. Russian officials peer into sleeping car compartments on the British sealed military train, and no one bothers about it. It is accepted and normal. And if so in Austria, why the panic in Germany?

Can one imagine the situation in reverse? Russian military trains running through the British or American Zones to an international capital in Frankfurt or Dusseldorf? Would the Western Allies have demanded the right to check identity documents? Most certainly. And especially if it were suspected that some of the travellers were German "Communist agents" bent

on stirring up troubles in the Ruhr, or carrying out espionage activity in the Western Zones.

With the question heading up almost to a war situation, it was the feeling of many in Berlin, that the question of the military trains could have been settled amicably and made a test case as to whether co-operation was to be desired. But the way it was handled on the Western side, it could lead to the suspicion that we were eager to accept the incident, to preserve it unsettled. The more such incidents that could be collected the better chance of making a "Pearl Harbor" out of Berlin, and speculation on such possibilities was very popular in circles close to General Clay at that time.

The Russians well knew what type of German was being carried on the military trains. And we knew that they knew it. For weeks before April 1, the Russians had been complaining about it. The chief of the British Travel Bureau in Berlin, a good old soldier turned civilian, Mr. Phil Scott, ruddy-faced and prodigious drinker of pink gins, had been thumping generals' desks for weeks past pleading that Germans be sent back and forth by plane, instead of on the trains. There was no possibility of Russian control of air passengers. Scott knew the Russians had "caught on to" the transport of Germans when they asked that all passengers should have a Russian translation of their travel orders which stated that they were Allied and accredited to the Control Council. He was forced to give these same passes to any German that the British political division wanted to move back and forth between Berlin and the British Zone.

Evidence of some of the types of Germans who used to be given such documents came to light in an "Open Letter" to the Social Democrat Party, dated April 9, 1949. It was written by Heinz Kuehne, former head of the Berlin branch of the Eastern Bureau of the Social Democrats in the Western Zone. (Eastern Bureau was a Social Democrat espionage centre, specialising in the Soviet Zone.) The letter was published in the leftist press in Berlin and the Western Zones on April 11 and 12. Kuehne wrote that he acted as a courier between the West Zone Social Democrats and former Social Democrats in the S.E.D. in the Soviet Zone, from February, 1948, until he took over as chief of the Berlin branch in 1949. He said he had become disillusioned

when he found that he had been turned into an espionage agent for the Western Powers.

“Under the pseudonym of Heinz Mueek,” he writes, “I went for the first time into the Soviet Zone in the beginning of March, 1948, with Richard Lehner.

“This round trip made it clear to me that leading members of the Eastern Bureau were in regular contact with the English and Americans. Apart from the fact that we had false identity documents that the British helped us obtain, we were also provided from the same source with food, cigarettes and ready money. We travelled in an English military train which could pass the frontier without any control. After this first trip I made fifteen more. I travelled to Mecklenburg and Saxony, to Thuringia and Saxony-Anhalt, visited the agents in each of the Lands and in Berlin. With each trip it became clearer to me the criminal role the Social Democrat leaders were following. Not only I but ...” and he mentions the names of five other couriers, “constantly used forged papers that we received through an English agent, to legalise our presence in the Soviet Zone ... The travel documents for the interzonal and military trains were provided by the deputy leader of the Eastern Bureau, Stephen Grekowiak (pseudonym Stephan Thomas), who maintained constant contact between the S.P.D. and the British occupation authorities. The representative of these authorities at the Eastern Bureau, Mr. Carr, sometimes provided the couriers with forged passports of officials of the Swiss Red Cross. I myself once had one of these, issued in the name of Lieutenant Jean Andre ...

“I was repeatedly given the task on my trips of collecting military information that would be useful to the English and Americans.

“Thus for Mr. Carr, I had to check about warships at Rostock Harbor and at Warnemuende, about their types and armament, about the type of coastal fortifications, the loading capacity of the harbors and the cranes, as well as the type of radar antennae used on any Soviet warships.

“Also for the English I gathered information in Thuringia about the Ohrdraf works which before the surrender produced V weapons, about petrol storage depots and their capacity, and the state of the roads leading to them. The British and

Americans were very interested in information about Soviet troops stationed near the border areas, their strength, equipment and locations.”

One could fill many pages with the “Open Letter” of Heinz Kuehne as he details his activities for the S.P.D. Eastern Bureau. The interesting thing is that it was just in early March, 1948, when Kuehne says the Eastern Bureau began to get busy sending its couriers back and forth on the military trains, that the Russians began to get tough and demand control of passengers.

It is more than probable that they were well-informed as to what types of Germans were travelling, even if they could not put their fingers on the actual proofs.

### **Allied Control Council**

Marshal Sokolovsky put the official end to the Allied Control Council when he walked out of the meeting on March 20, 1948. Actually the Control Council had ceased to function as such since 1947, when the British and Americans fused their zones into Bizonia. After that date the Control Council could be used only to make decisions affecting the Russian and French Zones, as Generals Robertson and Clay were taking decisions for Bizonia without any reference to the Control Council.

At the meeting previous to the fateful one on March 20, I had the good fortune to be present half an hour before the discussions started. I managed to squeeze myself in as a photographer and have a look at the personalities in their proper setting, grouped around the conference table in the Allied Control Building, as they decided the fate of Germany, perhaps the issue of peace or war.

In appearance General Sir Brian Robertson of Great Britain and Marshal Vassili Sokolovsky of the Soviet Union dominated the room. The delegates of the four powers sat round four sides of a square of tables, Robertson opposite Sokolovsky, General Lucius Clay opposite General Pierre Koenig.

Robertson, tall, with a long head, severe intelligent face, military moustache and horn-rimmed glasses. Not a man one could expect pity from at a court-martial. Also not a man to be flurried easily. One who weighs his words. His favourite trick when he wanted to play for time, before answering a

particularly sharp question, was to take off his glasses, fold them on the table beside him, and stroke his long chin, then throw his head up with an abrupt gesture to deliver his answer or opinion. When he has said something particularly cutting, he often flashes on a smile which comes from the lips only. He prides himself on bitter retorts intended to silence the timid.

General Robertson is a South African soldier-businessman – now soldier-diplomat. He was a director in South Africa of the Dunlop Rubber Corporation; he has the cold hardness one would expect from a soldier in two wars and a very successful businessman in one of the world's greatest capitalist concerns, in between the wars. It is said, and I find it easy to believe, that the Russians respected only Sir Brian's faculty for arguing coolly and politely the toughest problems. (Sir Brian later became the first British High Commissioner for Western Germany, and was eventually succeeded in that position by Sir Ivone Kirkpatrick, formerly First Secretary to Sir Neville Henderson, Britain's Ambassador to Hitler. Sir Ivone and Sir Neville did much to pave the way for the Munich Agreement.)

On Sir Brian's right sat Mr. Christian Steel, political adviser referred to earlier. Very tall, fresh-faced and good-looking, a trifle languid, Steel was always faultlessly dressed. He always seemed more at home in a dinner jacket than a lounge suit – and he looked the perfect prototype of a British career diplomat. His hair and dark moustache always neatly and smoothly brushed, Steel has the professional diplomatic vagueness and evasiveness in serious discussion, but a great fluency in small chatter and good stories about personalities he dislikes. For all his pose and appearance, Steel is at bottom a petty, ungifted figure, for whom a Socialist government should have found no place.

The economic adviser, Sir Cecil Weir, sat on the left of General Sir Brian. A small man with white-hair and moustache, Sir Cecil used to be President of the Glasgow Chamber of Commerce and a director of the Schroeder, Weir and Co. Shipbuilding Yards. As hard as the flinty rocks of Scotland whence he hails, Sir Cecil was best known to the press for his reluctance ever to give a straight answer to any question put to him.

These three men form the hard core of the team sent to interpret British "Socialist" policy in Germany – and in those

days, to weld British policy into a common programme with Russians, French and Americans.

Across the table from Sir Brian's team was Sokolovsky, the youngest of the four military governors. He is a good-looking, rather hawk-faced man, sharp and intelligent, with a charming smile which completely lights up his normally rather serious face. Sokolovsky was a successful general who took part in the Soviet offensive on the Central Front, and later became Chief of Staff to Marshal Zhukov. He had an advantage over both Clay and Robertson, in that he was an active, front-line general throughout World War 2 while his British and American colleagues had desk or administrative jobs.

He has personal charm with a good sense of humour of which he made use several times to break up tense situations which developed in the Control Council.

His economic adviser, Koval, was a deputy-minister of heavy industry in the Soviet Union, a man of terrific energy and stamina – as his opposite numbers, on the Economic Directorate knew to their cost. A thick-set dark man, with a massive head, Koval was reputed to stand head and shoulders over his Allied colleagues, for his detailed knowledge of capacities and locations of German industry and his encyclopaedic memory. It was said of him that he had a verbatim record of the minutes of all meetings he had attended in his head, could refer to dates and figures which were invariably right when the minutes were consulted.

The Soviet political adviser, Semyenov, a balding, blondish man, sat on Sokolovsky's left. As distinct from any of the other top-ranking Allied officials, Semyenov from the first day of his arrival took a great interest in cultural affairs and did much to promote the active cultural rebirth in Berlin and the Soviet Zone in the early days of the occupation.

Between the British and Russian teams on the left sat the American delegation, headed by General Clay. Clay is short and slight, with a bony face dominated by large ears and a large nose. He has a wryish sort of smile which never seems to break right out into the open. His smiles in fact could best be described as wolfish.

Extremely clever, Clay had one personal weakness which put him at a disadvantage with both General Robertson and

Marshal Sokolovsky. He lost his temper. While the British and Russian military governors debated the hottest, most controversial question in glacial calm, Clay would explode in a burst of fury. He sometimes used this way out when he had no further arguments in his arsenal. A notable case was in September, 1948, at a critical meeting in Berlin to work out details of an agreement already reached in Moscow to settle the Berlin currency question and lift the transport restrictions. It was the first meeting of the four military governors since March 20. When it seemed that nothing could prevent agreement being reached, Clay had an outburst of the "tantrums," exploded in a fit of rage and stalked out of the meeting. Of course, the press were briefed that the Russians had caused the breakdown.

In some respects Clay was the most formidable figure in the Control Councils; he was certainly the most dangerous. He had far wider powers than his colleagues. Clay could and did initiate and make policy without reference to Washington. This was done, of course, with the connivance of the War Department, headed by the late Dillon Read banker, Mr. James Forrestal. Clay's economic adviser, Brig.-General, Draper, also a director of Dillon Read, later became Forrestal's assistant.

The State Department seemed reluctant to take the responsibility for running Germany. They could give no orders to General Clay direct, but had to ask the War Department to forward any "requests" they had for Clay. The War Department at times did not even bother to inform the State Department of orders they had sent Clay, or of policies which Clay had initiated on his own account. Clay could take actions on his own and inform the War Department afterwards. The War Department informed the State Department or not, as it thought fit.

Army Secretary Kenneth Royall at his first press conference in Berlin, let slip the fact that the War Department acted at times without informing the State Department and that the latter sent instructions to its representative in Berlin without informing the War Department. Be that as it may, General Clay certainly had greater powers in his hands in Berlin than any American abroad in peace time, with the possible exception of General MacArthur in Japan.

Although he could not formally commit his country to peace or war, he could involve it in a shooting incident, or in

situations which must lead to shooting incidents, without reference to Washington. The war set, in Washington, which backed Clay, counted on him doing just that, to avoid the difficulties of having Congress pass an Act of War, before the shooting started. There was the specific incident of Clay asking British and French support for an armed task force with bridging equipment, to force a passage through to Berlin during the blockade, which must have involved shooting.

The other three military governors had clear briefs in front of them at Control Council meetings beyond which they could not go without consulting their governments. Marshal Sokolovsky had the Potsdam Agreement as his blue-print and would certainly not go beyond that on important questions without receiving fresh instructions. But not so General Clay. He could take decisions involving peace or war and expect his government to back him, afterwards. The American people without knowing it had been robbed of vital democratic rights when such powers were given to one man – the American Pro-Consul in Europe, as Clay liked to hear himself described.

General Clay's political adviser, the representative of the State Department, was Robert Murphy, a pet of the Vatican, former Ambassador to Vichy France, responsible for appointment of pro-Vichy and Fascist Admiral Darlan as Military Governor, North Africa, after the Allied invasion. Murphy is a diplomat of the Christian Steel type, slick, good-looking, full of the vague chatter and gossip which masks deceit in a diplomat; full of forced "bonhomie" and an apparent frankness which deceived the naive only. Ambassador Murphy was removed from Berlin in mid-1949 and appointed ambassador to Belgium. Brigadier-General Draper, Clay's first economic adviser, as mentioned earlier, was a leading executive of the firm of Dillon Read & Co., allied to the Morgan banking house, a firm which helped finance the Ruhr heavy industry after World War I. Draper, after serving as Assistant Secretary of Defence, has since returned to his old job with Dillon Read.

Opposite General Clay's team sat General Pierre Koenig, nominee and personal friend of General de Gaulle. Koenig was the only one left of the original four military governors, a large man with greying hair and moustache. Bluff and jovial, he resembles an English squire. He had adopted as his own personal

dislikes the main French disagreements with the Potsdam Agreement. He detests Berlin, which at one time it seemed the other three military governors were prepared to accept as the capital of Germany. He never stayed in the city but flew back and forth from his headquarters in Baden-Baden – named by wits Vichy-Vichy – to attend Control Council meetings. He was much happier when he could desert Berlin altogether and meet his American and British colleagues in Frankfurt. In the early days, he forbade his staff to use the words “Central Government” in his presence. Later the word “Trizonia” was also banned until Marshall Plan pressure forced his government to accept the fusion with Bizonia, which was resisted for so long. From the first days Koenig’s role was to prevent any moves towards a central government for Germany, to prevent or delay the revival of German industry. The idea of a new German Reich with a capital at Berlin was anathema to him. He ordered that the word “Reich” be abolished in every administration in his zone. Signs and stamps had to be altered. Reichsbahn became Deutschebahn, Reichspost, Deutsche post, signposts and letterheads were all changed at General Koenig’s whim. In his younger days he had served as captain in the French Foreign Legion in North Africa and he was a fighting general in World War 2.

Koenig, in the days of the March crisis, was assisted as political adviser by Deputy Foreign Minister Sedoux and by M. Rene Sergeant, Inspector of Finance, as economic adviser. In qualifications and intelligence, these two most closely measured up to the Soviet counterparts.

It has been said incidentally, by officials close to General Robertson and General Clay, that despite their Siamese-twin like public pronouncements, each of them got along better personally with Marshal Sokolovsky than with each other. Robertson is said to have appreciated Sokolovsky as a man of charm and culture; Clay is said to have praised him as a “straight-shooter.” These personal feelings did not, however, prevent the western military governors intriguing against their Soviet colleague.

It was Marshal Sokolovsky who called the fateful meeting of the Control Council on March 20, 1948. The military governors took it in turn, month by month to preside over the

meetings and March was the Russian month. The Council normally met every ten days, on the 10th, 20th and 30th of each month. An agenda was usually arranged before by the Coordinating Committee consisting of the military governors or the deputies. On this occasion no agenda had been fixed beforehand. Marshal Sokolovsky wished to discuss with his colleagues, three-power talks in London, attended by Generals Clay and Robertson, which had taken important decisions on Western Germany without any reference to the Control Council.

Generals Robertson and Clay refused coldly to discuss the matter. "No decisions were taken at all in London" said General Robertson, "we had a discussion of German problems and made certain recommendations to our governments. Nothing at all for the Control Council to discuss. We have received no fresh directives from London."

Marshall Sokolovsky's insistence that very grave decisions had been taken on matters affecting the whole of Germany, decisions which wrecked every paragraph of the Potsdam Agreement, did not change the attitude of the Western military governors. They refused even to consider a discussion.

The western representatives refused to discuss this item and General Clay expressed his annoyance at having been called to a special meeting to "waste time" on such matters.

Marshal Sokolovsky once again asked for a discussion on a matter which he insisted again was of vital interest to the German people and fell within the scope of the Allied Control Council. This time there was no response from Generals Robertson and Clay.

The Soviet Marshal then got up and walked out of the conference room, stating as he got up "The session is closed," and that was the formal end of four-power government in Germany, two years and nine months after the signing of the Potsdam Agreement. One must use the term "formal end" because the actual death-blow to four-power control was dealt over a year earlier when the United States and Britain joined their zones together and set up the Bizonal administration, putting into effect economic and political policies in their half of Germany, over which the Russians – and even the French – had absolutely no control.

“The intention,” it was stated at the time, “is not to divide Germany, but to bring about the economic unity called for by Potsdam as rapidly as possible.” This made about as much sense as a doctor trying to cure a patient of heart disease by chopping off his legs.

The Soviet walk-out on March 20 need not have meant even the formal end of the Allied Control Council. In April the French were in the chair; in May the Americans, and in June the British. Had the Western Allies been interested in continuing four-power control, General Koenig could have called a meeting in April, the others when their turn came. But they were only too relieved that the breakdown had been provoked when the Russians were in the chair. Marshal Sokolovsky’s statement that the “session is closed” was presented to the world public as a statement that the Control Council ceased to exist.

The events of the days following Marshal Sokolovsky’s walk-out had a vital bearing on the future of Germany and they deserve a chapter to themselves. Concrete, practical measures were taken in those days by the Western Allies to ensure that Germany should be finally split.

### **Clay Wrecks Currency Reform**

Currency reform was the issue on which the unity of Germany was to be decided. Everybody was agreed that there must be a new currency. The old marks had been run off the Nazi printing presses by the billions without any real backing. They had been added to by Allied occupation marks. In effect, they were worthless. Farmers were reluctant to exchange their farm produce for notes with which they could buy nothing. Manufacturers had no incentive to rebuild, plan and produce goods. The honest worker who put in his eight hours a day at factory or office, found the money he earned would buy less goods than he could obtain in a few minutes’ activity on the black market.

If the Allies could agree on one currency for the whole of Germany, then there was hope for gradual agreement on other matters, primarily in the economic field. If ‘east and west’ decided on separate currencies, economic and political unity would be postponed for years. The matter had been discussed by the Allies for many months in 1947, but no agreement had

been reached. The Russians wanted the Potsdam provision for the setting up of a central German financial secretariat to precede the printing of a new currency.

For several months prior to March 20, 1948, propaganda had been fed to the western-licensed German press, that the Russians were printing notes of their own and were about to introduce a unilateral currency reform. I was myself told by the deputy chief of a division in the British Control Commission that he had indisputable proof, in early 1948, that the Russians had distributed the new notes to banks in the Soviet Zone. Had he seen the notes? No. Could he describe them to me? No. Quantities? No. Dates of issue or distribution? No.

In the four-power discussion on currency the Russians were said to be holding out for an unrestricted printing of notes in Leipzig in the Soviet Zone, without any control by the other Allies. Every word of this was false, and was put out only to cover up American intrigues designed to avoid a united currency at all costs.

In January, 1948, shortly after General Marshall broke up the London conference of the Council of Foreign Ministers which was debating the German problem, General Clay returned to Berlin and announced that he "was going to have one more try to get agreement on currency reform." The implication was that for the sake of public opinion, he was prepared to talk about it once more.

British financial experts had been convinced from the earliest days of discussion on currency reform that agreement was possible on this fundamental question. A report by Mr Chambers, head of British Finance Division, following a trip to the Soviet Zone, emphasised that there was little to choose between the Soviet plan and the British for a united currency. Mr. Chambers was replaced shortly after that and the stories were churned out again in the western-licensed Berlin press that the Russians and the Russians alone were blocking currency reform because they wanted to issue their own currency with no control on the amounts issued.

After General Clay's January, 1948, announcement, there were "closed" meetings of the Control Council, that is to say, meetings at which only the military governors and their financial advisers were present and about which no communiques

were issued. General Clay's adviser produced a plan and the Russian financial chief, Valetin, produced a counter-plan. In principle, the plans were very similar. After several more "closed" meetings, agreement was so near that it was left to a special financial committee to iron out the final details and report back to the Control Council or the Co-ordinating Committee by at latest April 10, 1948.

In early March I had dinner with one of General Clay's financial advisers. He was very gloomy and depressed, and had no appetite. Gloomy and depressed because, as he said, "It looks as if we can't get out of having a united currency now." He added, with some bitterness, "God knows what was biting Clay, when he made that statement about having another shot at currency reform. Now we're in a devil of a jam. The Russians have agreed to everything and it's going to be as embarrassing as hell to wriggle out of it now ... We had everything ready for something quite different and then Clay had to go and put his goddamned big foot in it."

"But I thought you had been fighting for this for years past," I said, most astonished. "That's what the press have been led to believe certainly."

"How can we have a common currency with them unless we can control their imports and exports?" he asked, putting forward arguments which had never seen the public light before. "To do that we would have to control their zone. And if we want to control their zone, they would want to control our zone. And where the hell would we be then?"

By the middle of March, however, the four powers had reached such a stage of agreement, that they had decided how much money was to be printed, at what rate the new notes would be exchanged with the old. It was decided to print the notes under four-power control at the Reichsdruckerei (State Printing House) on the borders of the Soviet and American sectors of Berlin. The Russians had abandoned their early project of dual printing in Berlin and Leipzig. The designs of the notes were approved – in deference to General Koenig's phobia, they were to be known as Deutschemarks instead of Reichsmarks. Plates were cut and printing was actually started.

The campaign was stepped up in the press that the Russians were preparing to flood their zones with new currency to

cover the fact that new notes for the Western Zones were actually lying offshore in United States freighters in Bremen Harbour. They had been printed before General Clay's hypocritical announcement about "one more shot for united currency reform." They had been printed in the United States on the same presses which printed the American scrip dollars for use of the U.S. occupation forces in Europe.

The situation on the day of the crisis in the Control Council was that to all intents and purposes, united currency for Germany was an accomplished fact. The notes were ready to come off the printing presses.

Marshal Sokolovsky withdrew from the Control Council on the Saturday. On the Monday, as Control Council president until the end of the month Sokolovsky called for a meeting of the special finance committee. Half an hour before the committee was due to meet, the British and Americans followed by the French announced they would be unable to attend. Later in the week, Marshal Sokolovsky called for two meetings of the Finance Directorate, a permanent body comprising the four Allied chiefs of their respective finance divisions. In each case the Western Allies replied that as Sokolovsky walked out of the Control Council, the latter no longer existed and they would attend no further committee meetings.

General Clay's financial advisers could breathe freely again. Their plans were saved after all. April 10th came and passed. No report was presented by the special financial committee. General Koenig called no meeting of the Control Council. The completed plan of the financial committee was never seen. Eventually work stopped at the Reichsdruckerei and the four-power control officers were withdrawn.

It is true that Russian officials did not attend other committee meetings scheduled for between March 20 and 31st, and this was partly made the excuse for the Western Allies not attending the finance committee meetings. Russian officials with whom I have discussed this point, said that after all the hypocrisy in the past, they wanted to test Allied sincerity on this one point. They wanted to make a test of currency reform and if that worked out favourably, they would accept it as a sign that the Western Allies still wanted some form of four-power co-operation. Almost all other questions had bogged down in the

Control Council. Even important matters which in the past had worked smoothly, as for instance the highly important question of inspection of demolition of military installations, was stopped by the Western Powers although it had worked well for a year and a half. The Russian view was that if the Western Powers wanted to co-operate and not just discuss co-operation, they would agree on currency reform, and on that basis one could painfully rebuild co-operation in other fields.

The chance was lost. Three months later, on June 20, the bright new notes, printed many months previously in the United States, were introduced in the Western Zones. The Russians as from midnight June 20, clamped a control on all road, rail and river transport leading into their zone from the west. The new currency in the west of course made the marks in the Soviet Zone valueless, and the whole of production in the Soviet Zone could have been bought up with the new west marks. One would have thought that having decided to go ahead with a separate currency, the Western Allies would at least have warned the Russians, so they could prepare for simultaneous reform in their own zone.

The barrage of propaganda that the Russians had prepared a separate currency, was shown to be false. The Russians had prepared nothing, had prepared no notes at all. After the western currency was issued, as an emergency measure, the Russians improvised stamps which were pasted over the old marks circulating in the Soviet Zone. A currency reform was carried out there at short notice with the improvised notes which were replaced after three or four months by a new Soviet Zone note issue.

Germany was sliced in two as cleanly as if she had been divided by a surgeon's scalpel, when German banks all over the Western Zones began handing out fifteen new marks for fifteen old ones, to each of the 50,000,000 citizens of the British, French and American occupation zones on a Sunday in June, 1948.

German citizens were taken in at first by the dramatic, immediate results of currency reform in the west. Goods that for years past had only been exchanged behind closed doors, flooded the shop windows that first Monday morning after the new money was issued. The wealthy and the black marketers

were able to deal in the open now: in fact they were forced to for a while, to accumulate some of the new money, rigidly rationed at first.

The food "crisis" which had enabled the United States to get complete control of Western Germany disappeared overnight. The day following currency reform, many categories of foodstuffs, including eggs, vegetables and poultry, were removed from the list of rationed goods.

The wealthy, who had invested their war profits and black-market earnings in consumer goods, gradually released these on to the markets and were able to buy openly the luxury foodstuffs which appeared like magic in the shops. The workers who had honestly sold their labour for bad marks in the past were as badly off as before, except that they could now gaze at glittering shop windows. In many respects they were worse off than before. Now that the new currency had the real value of scarcity, wholesale dismissals of workers started. Employers could afford the luxury of large staffs of cheap labour when they were paying in worthless paper money, but the axe soon fell after the currency change.

Within six months of the new money, unemployment in the Western Zones had risen from nil to almost a million. Within eighteen months the figure had risen to over 2,000,000, ten per cent. of all workers, according to the West German Chancellor, in February, 1950.

The display of fat, dressed geese and Entertainer wines; of cream sponges and preserved cherries, and of imported delicacies from Belgium, Holland and America, in the shops which sprang into being in Koenig, Dussedoer, produced nothing but bitterness in the hearts of the Ruhr workers who saw for the first time in open display the luxuries which the company directors and black marketeers had been enjoying throughout the worst days of the food crisis.

The exploding of the myth of the desperate food shortage was one of the most surprising results of currency reform in the West. From the early days of 1946, food shortage had been a very real thing to the industrial workers. They went without food and so did their families. Rations were cut over long periods from a promised 1,500 calories a day to as low as 600 and 700 calories daily. A slice of bread, two or three small potatoes

a day was the normal diet for hundreds of thousands of working class families in the Ruhr area for months on end. Yet the day after currency reform, the Economic Council meeting in Frankfurt, debated a proposal to end potato rationing, because a sudden “surplus” had developed in the American Zone. The farmers could not get enough of the new marks quickly enough with normal quota buying by the government, and were dumping their hoarded supplies on the market.

There were many things which did not ring true about the recurring food crises if one checked up on some elemental facts. And the surprising end to the food shortage within 24 hours of currency reform indicated that there should be some checking of the facts.

### **Food Crisis Myth**

The Soviet Occupation Zone including Berlin (which was fed by the Soviet Zone originally, the Western Allies paying for their sectors by coal shipments from the Ruhr), totalled about 22,000,000 population living on a total area of 6,201,500 hectares of arable land. The British and American Zones, totalled a population of 44,000,000 living on 11,052,600 hectares of arable land.

During the period of the food crises of 1946-48, the Soviet Zone maintained a consistently higher ration scale for their population. Not only was the ration scale higher on paper, but in the Soviet Zone it was met; in the west it was officially only half to two-thirds what was promised on paper. The Soviet Zone supported in food grains, potatoes, meat and butter the Soviet Army and administration without any food imports – until 1948 – and at the same time exported about 200,000 tons of mixed foodstuffs to the Western Zones. How was this possible? In zones with almost the same arable acreage of land per head, the West imported half the foodstuffs officially consumed and maintained a much lower standard of feeding, while the East was self-supporting with an exportable surplus.

It is not enough to say that the rich agricultural areas of Germany were in the East. That used to be true, but most of that line lies behind the Oder Neisse line, and is now part of Poland. The American occupation zone includes Bavaria, which is certainly the richest agricultural land left in Germany.

The British Zone includes Schleswig Holstein and Land Niedersachsen, both rich areas. None of these areas had suffered in the war to anything like the extent the Soviet Zone suffered, during the gigantic battles which swayed back and forth there.

The explanation lies in the fact that the Russians had taken Clause (c) of Paragraph 17 of the Potsdam Agreement very seriously, while the Americans particularly had ignored it. Para. 17c of the Economic Principles states that "measures shall be promptly taken to maximise agricultural output."

A breakdown of crop figures for 1946-7 after the first serious food crisis shows this was not done in the bizonal area. An incredibly large proportion of land was being used to grow cattle food and for pasture land, which should have been used for growing food crops for direct human consumption.

The following table is from official figures compiled by U.S. Military Government.

U.S.-U.K. Zones Planned Production for 1946-7	Hectares	Soviet Zone Planned Acreage for 1946-7	Hectares
Bread Grains	2,311,200	Bread Grains	2,953,000
Potatoes	1,289,200	Potatoes	810,000
Sugar Beet	169,800	Sugar Beet	220,000
Vegeta- bles	155,500	Vegetables	119,000
Oil Seeds	154,000	Oil Seeds	144,000
Tobacco	6,700		
Hops	7,200		
Vineyards	16,800	Other Root Crops	165,000
Orchards, home gar- dens, etc.	420,000	Orchards, etc.	14,000

Total	4,529,900	Total	4,425,000
Cattle	1,591,900	Meadows	941,610
Fodder			
Fodder	422,100	Pastures	435,890
Beets			
Meadow	4,508,700	Fodder	399,000
and Pas- ture			
Total	6,522,700	Total	1,776,500
Area for direct food con- sumption (including tobacco etc.)	4,529,900	Area for di- rect human consump- tion	4,425,000
Area for	6,522,700	Area for	1,776,500
Cattle		Cattle Fod- der	
Fodder			
Total	11,052,600	Total	6,201,500

In other words, with slightly more than half the total area of arable land, the Soviet Zone devoted almost exactly as much space to direct food crops as did the Western Zones. Food experts estimate that land devoted to crops for direct human consumption, bread grains, rice, etc., feeds three times as many people as land devoted to indirect food crops, that is fodder for producing milk or meat. China and India, for instance, could support only one-third their present populations if they decided to turn into meat eaters and switch their crops from rice to animal fodder.

In 1947 there was less land under cultivation in the American Zone than in 1938, despite the fact that there was virtually no destruction of farm implements or wholesale slaughtering and removal of draught animals as in the Soviet Zone. In 1949 there were 200,000 fewer people engaged in agriculture than in 1948. Grain production had fallen by 10 per cent., potatoes by 17 per cent.

There was no attempt to enforce an increase of the area under food grain cultivation; there was no enforcement of collection of those crops actually grown; there was no real pressure put on the Laender governments to export food from surplus areas to the starving Ruhr. Year after year, the Bavarian Government refused to send its surpluses to the Ruhr. Farmers preferred to feed their potatoes to the pigs. For months on end in 1946 and 1947 when Ruhr workers were starved of meat and ordinary consumers did not see meat for weeks on end, there was a glut of food, especially meat, in Bavaria. Half-hearted threats by some American officials that they would go in "with bayonets if necessary" to prise food from the farmers were ignored by local Bavarian officials.

When it came to the point of drastic action against the Bavarian Land Government, a sudden tenderness for democracy and rights of the Laender became apparent. It was decided it would be undemocratic to force the Bavarian Government if a majority in the Landtag did not want to. Where Laender rights coincided with the real aims of American military government, they were always respected.

### **German Farmers' Defiance**

After the Bizonal Economic Council was set up in Frankfurt, representatives from the British Laender demanded that food officers from the Council be sent to check on what was happening to the food collection campaign in Bavaria. When inspectors were sent, they were thrown off the farms by the Bavarians with full support of the Land Government. In cases where tests were made it was found that the Bavarian Land and Agriculture Ministry had deliberately underestimated crop returns by twenty to thirty per cent., in order to prove that Bavaria had no food to spare. Even from the artificially low estimates of crop yields, when it came to actual collection, another twenty to thirty per cent. was missing. No real measures were taken to correct this.

In the midst of one of the food crises, General Clay's men announced a great pig-slaughtering campaign in Bavaria to send meat to the Ruhr. Official figures showed that just 10 per cent of the pigs marked down for slaughtering were actually turned in by the farmers.

Similar things happened in the British Zone, but more energetic measures were later introduced there when the prospect of finding dollars for American food imports loomed up.

In the first year of the food crisis in the British Zone, in 1946, it was found that the difference between British estimates of the harvest, based on known acreage sown and test samples of yield, and the actual figures of grain harvested was fifty per cent. In other words, the farmers declared only half the actual amount of grain they harvested.

The British Zone, with the huge industrial area in the Ruhr, was becoming more and more in dollar debt to the Americans, by the restriction of export of food surpluses from the American Zone and the failure to press any sort of food production campaign. For the British it was just a question of when the Americans were going to deliver the bill. It was not long in coming.

## **The American Bill**

“We’re putting up the money for feeding Germany, ain’t we?” said Senator Tobin, chief of the Senate Financial Affairs Committee at a Berlin Press Conference, when he demanded that America have the whip hand in Germany.

And it came in the demand that Britain abandon her declared policy of socialising the Ruhr; in the demand that America should have an overwhelming control over Germany’s imports and exports; in the demand in the April, 1949, discussions on Germany in Washington that America have an overwhelming voice in all matters affecting policy in Germany when the Occupation Statute was applied.

“We’ve put up the cash, haven’t we?” said the Tobins, “then we’re not gonna have anybody monkeying around with our investments.”

The concrete conversion of food crisis to American control of Germany took place in 1947, after Britain had signed on the dotted line to fuse her zone of occupation with the American Zone, a clear and obvious breach of the Potsdam Agreement.

Under a complicated agreement, the full significance of which the British signatories do not seem to have appreciated at the time of signing, the Americans were given a free hand in providing food for the Bizonal area. Imports into Germany

were split into two categories. Category A included food, fertilisers, petrol and oil. Category B included raw materials, cotton, wool, etc., for producing export goods.

Category A imports were to be paid for from funds allotted by the American and British Governments. The food, fertilisers and petroleum products were to be provided almost exclusively from the United States, and carried in American ships. The Americans would decide the prices. Britain was to have a greater share in providing the Category B imports, which were supposed to be paid for out of German exports. In theory, German exports and Category B imports were supposed to balance.

The Germans, of course, had no say in any of these arrangements. If they had, they would certainly have continued the old trading arrangement of selling Ruhr products to the East in exchange for food. With grain and potatoes available a few hundred miles to the East on a barter basis for Ruhr coal and steel, they would not have elected to import food at top world market prices, carried half-way round the world in American ships, with the highest freight charges of any in the world. American tenderness for German democracy always stopped short of any point where the exercise of that democracy conflicted with American interests.

### **Dollar Democracy**

As the price they paid for being starved out of the Zone, the British had to agree to giving the Americans eight votes to two British on the Joint Export-Import Board which was established. The votes were supposed to be in direct proportion to the money invested by the two countries and so, of course, was thoroughly democratic. America decided, always by eight votes to two, what should be imported into Germany and at what prices.

At the very height of the 1947 food crisis, twenty thousand tons of Dutch vegetables were turned back at the German border on General Clay's orders, because "vegetables are too expensive a food in relation to their calories." Golden grain paid for in golden dollars and brought from America, must be the only food. Holland's age-old trade of vegetables and other foodstuffs to the Ruhr in exchange for semi-finished Ruhr

goods for her own industries was brought to a halt. It only started up again when the Dutch developed a vigorous trade with the Soviet Zone, which General Clay did his best to bring to a halt by the counter-blockade, but which developed so flourishingly that Western Germany was allowed later to take a share in the Dutch trade again.

What the American control of export and imports meant for the British, I stumbled across by accident.

I wanted to buy a Rolleiflex camera, made by Francke and Heidecke at Brunswick in the British Zone. I went through the correct official channels, to Fine Instruments Branch, Commerce Division, of the British Control Commission, with a sponsoring letter from Press Relations. There would be no difficulties, I was told, as long as I was prepared to pay in sterling and not in marks. I was ready to pay in sterling.

Various letters passed to and fro. I must have a permit, it seemed, from the British Board of Trade. After some more correspondence the Board of Trade gave its assent, as I was a journalist working abroad. In the meantime Joint Export-Import had been set up and I had to deal with a British official there.

He was very harassed with my problem. "But look here, old boy," he said, to my great astonishment, "it's all very well for the Board of Trade to give you a permit, but what about the Treasury?" I explained patiently that it had already been settled that I would pay in sterling and not in marks – that this had been decided three months ago.

"But look here," he said, "as far as I can understand this new agreement, this camera is now a German export and by what I can make out, the British Government must pay out in dollars to the American Government the equivalent of the thirty-five pounds you pay me." And he quoted some very involved paragraphs from the new agreement.

It boiled down to the fact that Britain could only buy goods in Germany in sterling to the extent she pumped in goods paid for in sterling and it was America who decided how much Britain could export to Germany. Everything bought in excess of what America allowed her to put into Germany had to be paid for in dollars – to America.

I published a story next day that the British Zone of Germany had become a dollar area; that for trading purposes

Britain would have to restrict purchases there in the same way as she had done with the United States; that even normal pre-war trade was barred by American restrictions. The story was denied and an expert from the Export-Import Board was sent specially to Berlin to correct my errors. General Robertson and his economic adviser, Sir Cecil Weir, both ridiculed the idea, when it was put to them at a press conference a day or two later.

Then it seemed that somebody was told to study the agreement carefully, paragraph by paragraph.

Overnight the sales of Volkswagens – made at Fallesleben in the British Zone – was stopped to British nationals. Previously Control Commission officials could buy them for pounds. Three days after my story was published, one had to take along dollar traveller cheques to buy Volkswagens, Rolleiflex cameras, or any other items in the British Zone. The British Zone had indeed become a dollar area. For once, it seemed, American financial experts caught the British napping. And it was all done by food crisis.

Yes, the food crisis was a very opportune intervention for American policy in Germany. It could not have served American interests better if it had been planned at a Washington Conference table. Of course, the taxpayers were told they were paying for the dumping of American food and fuel into Germany, but it was American capitalism that would reap the profits and German taxpayers who would eventually foot the bill. American taxpayers were making a temporary loan to American economic imperialism.

The myth of the food crisis was finally exploded three months after the setting up of the Bonn regime when the end of food and petrol rationing in the Western Zones was announced. Food production declined steadily while unemployment rose. The food crisis had served its purpose only too well, and when it was no longer needed as a weapon to further U.S. aims in Germany, it was cast aside. There is, however, a standing food crisis for two million unemployed and eight million displaced persons in Western Germany, with the end of rationing and sky-rocketing food prices.

Bonn ministers jeered at British criticism, when they ended food and petrol rationing, and said, "Come over to Germany and see for yourselves how much food we've got."

American big businessmen and investment bankers are cashing in on the food crisis as controls are lifted, and they can go in again to buy up their share of trusts and industries. After the American Government has “so generously” thrown hundreds of millions of dollars into feeding Germany, what West German politician would have the ingratitude to slam the door in the face of American investors in the Ruhr – a nice non-socialised Ruhr? And if ingratitude rears its ugly head, there’s a good solid dollar debt of several billions, to club it down again.

### **Land Reform East**

In January, 1946, I had the opportunity, together with some of my colleagues, to make a tour of the Soviet Zone. It was the first time western correspondents had been in the Soviet Zone and after a trip which lasted a week, we all commented favourably on developments there.

The London Times reported, for instance: “Impressions on meeting the Germans who are responsible for the administration of Saxony under Russian direction are generally favourable. They are seldom professional officials; inquiry generally reveals that they are Communists or, less frequently, Social Democrats. No doubt ideological reasons have promoted the Russians’ selection in the first instance, but in Saxony is found what is found also in Berlin – that the two working class parties, especially the Communists, have men of outstanding ability whom the Christian Democrats and Liberal Democrats cannot match. In one respect the position of a German in the Russian Zone is different from that in the other zones – notably the British and American. The ordinary citizen sees less of the soldiers of the occupying power unless his work brings him in contact with them. Official Germans say the discipline of the Russian troops is good. The same German sources also point out that the Red Army made a favourable impression last summer after the first occupation by supplying food from its own resources at a time when the German organisation had completely broken down and Dresden was starving ...

“There has been no interference with the Churches which are now freer than under national socialism, and the Russians have given permission for religious instruction in the schools which the Nazis had abolished ...

“The first party of British journalists to visit the zone have found the Russians accommodating and efficient. We have been able to visit places and persons we wanted to see. We have been accompanied by Russian officers but it has been possible to form the opinion that this has been dictated more by regard for our safety and convenience than by a desire to restrict our movements.”

For my own part, I was interested mainly in the details and results of land reform, the great basic change which has been wrought in the structure of Eastern Germany. On that and subsequent trips I was able to watch developments in the Soviet Zone and compare them with events in the West.

We visited an estate at Grossenhain, near Dresden. It had originally belonged to one of the princes of Saxony, then to a manufacturer who had fled to the West. We talked with the peasants. Most of them were “expellees” from Silesia, the former eastern province of Germany, now part of Poland.

Middle-aged, wrinkled people for the most part, farmers who had lived on and from the soil for generations. There was a sprinkling of younger folk, but the majority were the over-fifties.

Like all farmers, they had their grievances. It would soon be time for sowing, and they had no seed. There was no fertiliser and the soil was hungry and needed lots of fertiliser. There weren't enough draught animals, not enough ploughs and other implements.

The local village committee-man explained that everything was planned. The seed and fertiliser would be there on time, the ploughs and other implements were being repaired at Grossenhain, the committee was trying to scratch up some more draught animals.

Most of them had been given five hectares (12½ acres) of arable land plus some under forest.

The plan was for each new settler to have one horse, one cow, one pig or sheep to start off with, but several of the score of people we were interviewing complained that they hadn't received any animals. The committee-man tried valiantly to explain that there were not enough animals to go round yet. They had been killed off in the war. “And you can thank Adolf for that,” he said, and there was grim laughter. He was able to give

them one good piece of news, that the Red Army had just given the committee some horses, which would soon be distributed. But he had a hard time, persuading embittered and suspicious peasants that things really would be better and that promises would be carried out. He had about the toughest raw material, in these dispossessed peasants, that one could imagine. They knew and cared nothing for politics and slogans. They wanted land and the means to work it.

I went to Saxony six months later, on June 30, 1946, primarily to observe the plebiscite which was being carried out, to decide the fate of various industries, formerly owned by Nazis and big industrialists. I took the opportunity of driving over to see these peasants again. The snow-covered fields of winter were now deep under gold-flecked green of waving crops.

We arrived at the castle at evening time as the peasants were coming in from the fields. I recognised the gnarled face of one who had come with his wagon and two horses from Silesia.

"Well, I see you must have got your seed and fertiliser in time after all," I said by way of greeting. "Yes, that we got," he said, "but in a week's time we ought to be harvesting and we haven't got an implement in the place. What's the good of raising a crop if we can't harvest it?"

The committee-man, the same who had accompanied me before, interrupted, "But you'll get implements in time. The mechanics are working on them and by the time the grain is ready, you'll have the tools to work with."

His buxom wife came to feed some grain from her apron to a dozen healthy-looking chickens. She joined our circle, hands on hips, waiting her chance to say something to the committee-man.

"Have you got a cow yet?" I asked the peasant. "Yes," he said, "it's true we got a cow." His wife dug him sharply in the ribs and he added, hastily, "But it's not like the nice brown cow we had at home in our Silesia."

"Mine is a tough life," the committee-man sighed, as we drove away. "Of course, it's hard for them. They don't live well. There are terrible difficulties and shortages. Often, although I promise them that seeds, fertilisers, tools and things will come on time, I don't really know where they are coming from. So far we haven't let them down. Everybody now has the animals he

was promised. Everybody has enough to eat and they got enough fuel to keep them warm through the winter. But they all compare what they have now with what they had in Silesia, or East Prussia or Pomerania.

“It’s no good my trying to tell them how much better off they are here than in the Western Zones where the expellees get no land and live in internment camps. I have to show results. It’s beginning to work – but it’s hard. Our best success is that they no longer talk of wanting to go home. They are beginning to look on their bits of land as their new homes. Agitators tried to start trouble here, telling the peasants the Americans would soon get them their old farms back again, in Poland. Those that believed them, had no interest to settle down and work. But that has stopped now. Take the old peasant we’ve been speaking to. I saw him the other day, crumbling a handful of soil, poking it with his fingers and letting it trickle down on to the field again. I went over to him. ‘You know,’ he said, ‘this soil isn’t bad. If we could get a bit more fertiliser and if the rain was right, why, I believe it’d be as good as the soil at home in Silesia after all.’

“As I see it,” he continued, “there’s a two-fold political as well as a two-fold economic reason why we had to carry out land reform and make a success of it. First of all we had to get rid of the Junkers, the princes, counts, barons and such junk. They have been the curse of Germany and the curse of the small peasants and laborers too, for long enough. They were a breeding ground for militarists, adventurers and reaction of all sorts. They had to go. Without their estates, they’re no power and no danger at all. Let them go to the West and sit in their friends’ castles there and make their plans. They’ll never come back, take my word for it. Think of it, 2,000 of them owned as much land as 2,000,000 of our peasants.

“Then again we had millions of refugees – but we’re careful not to call them that. We call all those who got land ‘Neusiedler,’ and we make no difference between those that came from Poland and those that were former laborers or landless peasants from this very district. To us they’re all ‘Neusiedler.’ We reckon ‘refugee’ is an ugly and permanent word. There were altogether 4,250,000 people came into the Soviet Zone from Poland and Czechoslovakia. If we had that

number of people with no fixed jobs and no land, all would want to go back and that would always make bad blood between us and the Poles and Czechs. We've had enough of that. We want to live in peace and friendliness. If we can give those people roots here, land or jobs, they won't want to go back. We've got to make them feel at home. And in my community they're starting to take root now."

I asked him about the economic side, why after the successful Soviet experiment with large-scale communal farms, they had split the land up into such small units – which many experts said were uneconomic.

"I see you've been reading the western press," he said and smiled. "The Berlin Social Democrats have been weeping crocodile tears about the difficulties of the new settlers. The Social Democrat press says: 'We're not opposed to land reform. Of course not. Only the way it has been carried out in the Soviet Zone. Now if the land had been left in the form of the great estates and turned into large-scale farms, farmed with modern machinery, we would be the first to applaud ...'

"That's what they write. But, of course, if that had been done, they would have been the first, to cry: 'Bolshevisation. The Russians have imported the kolkhozes into Germany. First land in common, then our sisters and wives.' How the western press would have played it up.

"Our problems are exactly the opposite of those faced by Russia when she carried out her revolution. The Bolsheviks had to turn their country from an agricultural economy into an industrial one. They needed workers from the farms for their factories. The broad steppes of Russia were ideal for large-scale farming, the work done by machinery and farmhands released for industrial work. In Eastern Germany and in Germany all over, for that matter, our problem is to turn an over-industrialised country into a country with industry and agriculture nicely balanced.

"We had to find places on the land for many city workers as well as the millions of refugees. That was one reason for the small farms. The second reason is that we can't base our programme to-day on what is theoretically economic or uneconomic. We have practical day to day tasks which must be fulfilled. We need food. East Germany needs food. Berlin needs

food. West Germany needs food. In theory it's more economic to work the land on a large scale with tractors and mechanised equipment. We haven't got such things. Shall we sit down with blueprints of large-scale farms between our knees and wait for tractors to grow? No. With our small units if necessary, in these first years we can practically till the ground with our hands, with spades and forks. We've just got enough small implements, light ploughs that any good blacksmith can make, to keep things going, to get the land turned over and the seeds in.

"Above all it's easy to control the food collection with these small units. If a man plants three acres of potatoes, we know what his surplus is going to be within a few pounds almost. If he has fifty acres it's much more difficult. Each of our farmers knows exactly down to the last few square yards of earth what he has to plant and how much he is expected to deliver up at the fixed prices.

"And there you have land reform in a nutshell," he concluded, as I left him at his office at Grossenhain, "the Junkers finished, the new settlers getting their roots; the land so divided that fullest use can be made of any implements we can lay our hands on; small units easily controlled for grain collection."

### **Privileges of Aristocracy**

For the contrast in conditions in the East and West Zones, it was only necessary to cross the border of the British Zone and visit the von Cramm family at Hildesheim, near Hanover. I went there with the most innocent of intentions, having no knowledge that the von Cramms were great land-owners. There had been a report that Gottfried von Cramm, the German tennis ace and Davis Cup player, was about to get married. As the duties of a correspondent of a great national newspaper include the gathering of news likely to interest tennis fans, I drove to Hildesheim to see what Gottfried had to say about the matter.

It was in the winter of 1946. I was directed to a castle which I was told was one belonging to the von Cramm family. I was received by a wonderful black-coated imitation of an English butler, who led me through corridors studded alternately with deer and boar heads and dozens of gloomy oil paintings of von

Cramm ancestors. The butler explained: "Baron Gottfried is not at home, but perhaps you would speak with Baron Siegfried."

I waited in a sitting room, crammed with more ancestors and paintings of family castles. A roaring fire in the empty room forced me to think back to the Berlin I had just left, with Berliners burning their last furniture, children and old people spending their days in bed, trying to keep warm.

Baron Siegfried, in plus fours and tweed coat and carrying a riding whip, cut a neat figure when he entered.

"I am sorry my brother is not here to greet you," he said, speaking a careful, clipped English. "He is in Hanover. You see, he does some work with British Military Government there."

"What sort of work?" I asked.

"You see, he advises the de-Nazification people about the local bad hats. We know all the people about here and can tell which ones would be suitable for jobs with military government and in the local German administration. We know which are the 'reds' too. You know," he said, and he tapped his boots with his riding whip, "you as a newspaper man should write something about the horrible propaganda which is flooding into the villages now. Russian papers from Berlin and pamphlets are coming in here and we can't do a thing. Why is that permitted? We have enough trouble with the bad hats that came in with the refugees. In the old days we knew every villager, but now it's difficult to know what's going on. But one thing is certain, all this talk and propaganda about land reform, splitting up the estates, is proving most unsettling to our estate workers. Can't you write about it and do something to have all this business stopped?"

Baron Siegfried went to the window and pointed out with his riding whip. "What we have to teach these wretched people," he said with a sweep of his whip, which embraced the miserable hovels clustered around the castle walls, "is democracy. The real democracy. Cleanliness, discipline, hard work, Christianity and loyalty. Our old villagers are good, loyal and hard-working, but even they are being infected by this loathsome poison which comes from the other side of the frontier. Demanding land for themselves! As if they would know how to

work it even if they did get it. It would go to waste and ruin just as it does in the Soviet Zone.”

The polemics of Baron Siegfried in plus fours and tweeds were almost too good to interrupt. I asked him however about his own estates.

“Here we have 1,000 hectares, but my brothers also have estates in the area.” He pointed to the various paintings of castles on the walls. “That is our own castle here,” he said, “before it was restored. It was built originally in the 14th century. This one belongs to Baron ... It is a 16th century building, and this one belongs to my youngest brother, Baron ... A fine old 11th century building.

“On our property here,” he continued, “we employ 60 laborers. Actually it is twice what we need, but we want to help these poor beggars of refugees as much as possible. After all, it’s our duty.”

I made a rapid calculation. In the Soviet Zone 1,000 hectares of land would have provided a living for 200 families. The castle would be a workers’ rest home, an orphanage, hospital or old people’s home.

“Are there any refugees quartered in the castle?” I asked.

“No. The British have been very good about that. Of course, we have every room occupied,” he hastened to add, as perhaps some suspicion flashed across his mind that my questions were not all prompted out of sympathy for him. “Every room is occupied by people who have lost everything in the East or Berlin. Many of them are relatives. They are, in any case, all people that we know quite well. Of course, in a way, you could call them refugees too, but at least we could choose them.”

Baron Siegfried offered me a glass of vermouth. “We are doing our bit too to help Military Government,” he said, as we sipped the vermouth. He pointed from the window to a brick building with a smoking chimney. “This vermouth,” he said, “comes from my little distillery, and practically the whole production is sold to military government.”

The von Cramm family were doing quite well. Except for having a lot of friends and relatives living with them, they led much the same life as their ancestors had led for the last six hundred years. The peasants worked the estates, Baron Gottfried could play tennis with brother Siegfried – also a first-class

player – and live the leisurely life. Brother Gottfried spent much of his time at a villa he owned in Hamburg. Apart from tennis, Gottfried divided his time between perusing the estate book-keeping and unofficially advising British military government on the “right” and “wrong” types in the district. One could be sure he kept a particularly sharp lookout for any “agitators” spreading the dangerous gospel of land reform.

The story which prompted my visit to the von Cramm estates proved to be no story at all. Baron Gottfried had no intention of getting married.

The von Cramm situation was typical of that of hundreds of other barons, counts and princes in the British Zone. I visited a couple of typical aristocratic landowners as late as February, 1948. Their lands were still untouched despite the agreement, signed in March, 1947, at the Moscow conference of Foreign Ministers, to press ahead with land reform in the Western Zones.

Close to Dusseldorf are the estates of Count von Salm, Knight of the Catholic Church. Unfortunately the Count was not at home when I called. He is an absentee landlord with his headquarters at Bonn. An estate manager was handling his affairs – and very reluctant to give any information about acreage, numbers of tenant farmers.

February, 1948, was the period of the greatest famine which had yet struck the Ruhr area. Workers who did an honest day's work at their factories instead of scouring the country for black market food, were on the verge of starvation. Bakeries in many cities were closed, meats and fats had entirely disappeared. I surprised several farmers on the Salm estate at evening meal time. There was plenty of butter and jam on the table and good meat stewing in the kitchen pot.

“Don't you feel you have to help the hungry Ruhr workers?” I asked one farmer.

He looked rather sheepish and said, “Well, you see, to get anything done here we have to give some food. Before the blacksmith will mend a plough or the shoemaker patch the kids' shoes, they ask for half a pound of butter or a pound of bacon. We have to hold our food back to get by ourselves, and to get things done.”

“Are you told what to plant and how much food you have to give up?”

“No. We just plant what we always planted. Nobody bothers us about that. But we are supposed ...” and he winked, “supposed to give up everything we grow to the government. We’re not supposed to keep anything back at all.”

I was luckier with Count Basso von Bucholz-Asserburg than with von Salm. He was at home – just recently come home from a camp where he had been interned for some time as an S.S. officer. He had not come up for trial, just been released quietly as a “non-offender.” The road led for half an hour through snow-covered parkland on the Count’s estates. Herds of deer tossed their antlered heads as the car approached but went on snuffling and browsing in the snow for tender bits of green, when they sensed I was not there to hunt them.

Count Basso’s castle is at Nierheim in Land Niedersachsen in the British Zone, about 40 miles south-west of Hanover. The road to the castle leads through the village of his tenant farmers, and winds up a hill where the castle perches, away from the distasteful sights and smells of village life. Peacocks, rather bedraggled ones, but still peacocks, strutted on the snow-covered lawn as I approached the entrance.

The family were gathered around a roaring fire in an enormous open hearth. The Graefin, mother of Basso, tall and cold, once beautiful in a brittle, arrogant way, dominated the circle. She sat in a corner of the fireplace, with her hands folded over a stick, listened intently to my questions and always steered the conversation away from “dangerous” topics. Count Basso’s brother, tall and weakish looking, dressed in green hunting uniform, several children, and Count Basso himself completed the circle.

Count Basso, black-moustached, small, slightly limping, seemed away below the physical standards one expected of an S.S. officer. About the whole family, except the vital mother, there was a distasteful air of decadence.

“Of course,” said Basso, “I wasn’t really in the S.S. at all. I was an enthusiastic rider and just got drafted in the S.S. Reiterkorps. The British understood all this quite well, and that’s why they released me. I have just now been cleared by the local de-Nazification board.” He explained later that most

of the members of the board were tenants or executives from the von Buchholz-Asserburg estates.

When asked about the size of his estates Count Basso wanted to talk only about what he had lost.

"Three thousand acres and a beautiful castle I had in the Soviet Zone have been lost," he said, "and the terrible thing is that while the land I can recover, of course, the castle has been completely destroyed." He went on to tell me that every castle in the Soviet Zone had been destroyed, because the "Soviet bandits" were against anything that had to do with "western culture." "They can't afford to let their barbarian soldiers see any monuments of western culture," he said, "It would only make them dissatisfied and want to overthrow the regime when they got back."

I explained that I had been often to the Soviet Zone and that most of the castles had not been destroyed, but turned to some useful purpose. "The only ones that have been pulled down," I explained, "were those that were badly damaged in the fighting. The stones and bricks have been used to build homes for the new settlers, amongst whom the estates have been divided up."

Count Basso was satisfied he only had to wait a short time and the British and Americans would throw the Russians back "to the Volga" and he would get his Soviet Zone estates back again. By the expression on the aged countess's face as she heard this I gathered she did not share Count Basso's optimism on this point.

It turned out that Basso had six thousand acres on his Nierheim estate, part of it under forest and park-land. Asked whether he thought it would be divided up, he said:

"We have too much faith in the British to believe that. The British believe in fair play and democracy. Would that be fair play to take away our estates? What have we done? It was the Nazis who made the war. We all suffered because of them. Hitler always hated the aristocracy and the landowners."

The old countess stabbed the fire viciously with her stick and said, "Let the sacrifices be equal. Don't make the landowners pay for the war. By the propaganda you allow to be made in some of the newspapers for land reform, one would think we were the guilty ones, not the Nazis."

S.S. Officer Count Basso von Buchholz-Asserburg and his brother nodded vigorous assent.

And so it was all over the British Zone, in North-Rhein Westphalia, Land Niedersachsen and Schleswig Holstein. Within a few minutes of British Army Headquarters on the Rhine was the estate of Baron von Oeynhausen with 7,000 acres. Oeynhausen was a land president under the Nazis. In Schleswig Holstein is the estate of Nikolaus, Prince of Oldenburg, with 7,500 acres, and similar holdings by Prinz zu Schaumburg-Lippe, the von Buelows, Brockdorffs and Reventlows.

A land reform law passed by the local Laender governments was vetoed by the British military governor and another one substituted which would leave the Junkers, if with less land, at least with their same economic and social position. A reform law has now been promulgated which in theory takes away land in excess of 375 acres – but with full compensation.

In effect, as no provision has been made for providing housing, implements, or stocking the new farmers, even in those areas where a land reform has been carried out the new settlers will be absolutely dependent on the Counts and Barons still. As no financial aid is given them to help pay for the farms, they will be perpetually in debt to the landowners.

Instead of paying rent as in the past, they will pay interest. The economic power of the Junkers is left intact.

On the other hand, what took place in the Soviet Zone under the land reform laws, represents a complete and bloodless revolution which drastically and permanently changes the economic, political and social structure of Eastern Germany. The land reform laws were the most important single measure introduced into Germany; as fundamental and definite as the splitting up of the feudal estates of France a hundred and sixty years earlier.

Whatever the future holds for Germany, the clock cannot be turned back in the eastern areas. The land will remain to the people that work it. In the long run these reforms will have signed the death warrants of the knightly landholders in the west, too. They may, with British and American help, postpone the day for some years, but the pressure of the peasants with

the example of results in the East to spur them on, will force the landowners to disgorge.

They have been saved till now partly by the artificial food crisis. Generals Robertson and Clay were against "disrupting" present agricultural methods in the midst of "famine," although experience in the east showed that land reform meant not only increased food crops but one hundred per cent. efficient collection and distribution of food grains.

The final assessment of land reform in the Soviet Zone was made in July, 1947, after distribution was completed on July 1st of that year. All estates exceeding one hundred hectares (250 acres), excepting those belonging to the church, were confiscated. Altogether these represented 12,355 estates totalling 7,500,000 acres. 2,089 of these belonged to the Nazi Party or the German Government, the rest to the Junkers. Some of the estates were reserved for State research farms, cattle and horse-breeding centres, seed production centres and experimental farms. The overwhelming majority were divided between 500,000 families representing at least 2,000,000 persons. 119,650 were families of former landless peasants and laborers; 113,274 were peasants with tiny farms who were given more land to bring them up to the average size (nineteen acres) throughout the Soviet Zone. 130,881 were city workers taking up land for the first time. The rest were former tenant or share farmers. A large proportion were "expellees."

From the Junker estates, 110,000 houses, half a million head of cattle, and 6,000 tractors were distributed among the new farm communities.

Their standards of living have increased by leaps and bounds in the past three years; they have become the most enthusiastic supporters of the regime which gave them land. They are immune to propaganda from the west promising change and better days. They have land, they are rooted to the soil. Change for them in the western sense, means a return to the old days; of having their land handed back to the Junkers, themselves turned back to hired laborers.

As the change has been carried out hand in hand with the development of purchasing co-operatives, with much communal working and pooling of implements, development of the tractor stations and village-owned machine shops, there is

little risk that these 600,000 families will crystallise into rigid, individualistic and selfish “kulaks”. Quietly and almost without knowing it, they are being introduced to collectivism in agriculture. Because everything around them is new, they are still receptive to changes which would frighten the settled middle-class peasants. The confidence which replaced their early fears and suspicions, fortifies them to-day when they hear of new measures being introduced; new methods of co-operative marketing of their produce; further developments in working the land in common as more and more tractors become available. The peasantry has been lifted out of its traditional status as the most backward and reactionary political force in the country and in the vanguard of the progressive peasants are the new settlers.

The land that once supported the most powerful, semi-feudal Junker barons, the main props of reaction and militarism, the financial backers of aggression, has now been turned over to half a million families whose very blood cries out for peace and orderly life; the right to work the land they own and enjoy its fruits.

It cannot be expected that they will always live as independent smallholders. As the peaceful reconstruction of industry in the Soviet Zone develops on the one hand and the output of modern agricultural machinery increases on the other hand, it is logical to expect a development towards large-scale co-operative farms. The cities will be able to re-absorb many workers from the land; large-scale agriculture will be able to spare the labour.

Real emancipation of the peasants can only come with the large-scale cooperative farms, a full cultural life can only be available when industry is securely allied with agriculture, when the peasant can rest after an eight-hour working day and have his Saturdays and Sundays free like the city workers.

### **Berlin Re-Visited**

I arrived in Berlin on New Year's Eve, 1945, having travelled more than halfway round the world to get there. During the war years I had been in the Pacific and Far East and my last part in it was to land with the first detachment of U.S. Marines at the Yokosuka naval base in Tokio Bay at the end of August,

1945. I had afterwards been transferred to the other pole of the Berlin-Tokio axis. At the end of November, 1945, I was back in England for the first time since February, 1939.

While I was recovering from a bout of malaria and assembling clothes to withstand a European winter after five years of tropics, I went to a crowded meeting in London's Albert Hall, called under the auspices of the "Save Europe Now Committee." Chief speaker of the evening was Mr. Victor Gollancz. It was soon quite clear that the meeting was a "Save Germany Now" meeting, that its tendency was anti-Czech, anti-Polish and above all, anti-Russian. The war had finished exactly three months previously, with the Soviet Army playing a decisive part in defeating the Japanese.

The only previous occasion on which I had heard Mr. Gollancz speak was in 1937, at a summer school not far from London, held under the auspices of the Society for Cultural Relations with the Soviet Union. Mr. Gollancz had recently returned from the Soviet Union and he spoke on his impressions as a Jew.

"For the first time," he said, "I felt what it was like to move in a society completely free from anti-Semitism. only in that atmosphere completely free from racial discrimination, did I realise that there had always been anti-Semitism in England. Life here can never be the same again for me. I know there has never been complete equality for me as a Jew. I have never been fully accepted; always there have been some hesitations. Only in the Soviet Union did I feel that every racial barrier was down, that every citizen was respected on his merits, not for his race, creed or colour."

Mr. Gollancz's speech made an impression on me because only a few weeks previously Paul Robeson, the great negro singer, had said something along similar lines, at a meeting in the London Albert Hall.

Now a short six months after the Nazis had been defeated, having gassed and burned to death one quarter of the population of Poland and caused 20,000,000 deaths in Europe alone, including 7,000,000 Soviet citizens, Mr. Gollancz was suddenly moved with a great tenderness for the Germans – at the expense of Germany's victims. His main pity was directed to the expellees from Poland and Czechoslovakia. He drew a

harrowing picture of them trudging through the snow, their few belongings packed on their backs or pulling them in carts behind them. When he spoke of the suffering of children, it was not of Polish or Greek children he spoke but suffering of German children.

As often as he could conveniently weave it into his oratory, he referred to “inhuman conduct,” “uncivilised actions,” “un-Christian attitudes” of Soviet, Czech and Polish governments and each time a shout went up from the over-filled hall “Shame,” and not a few times the German equivalent “Pfui,” because there seemed almost as many Germans as English in the hall that night.

When he finally asked the crowd to demand from the Government that no increase in English rations should be allowed as long as there was one hungry child in Germany, there was a great roar of approval. No less vocal and emotional were Michael Foot, Labour M.P., Mr. Guy Boothby, Tory M.P., and others prominent in political life.

Nobody could object to a meeting to help suffering children anywhere in the world; and nobody could criticise a warm-hearted British public offering to go without for themselves to succour misery. But the callous hypocrisy of the campaign of Gollancz and those allied with him, was to exploit human suffering to whip up hatred against the Soviet Union and the countries of Eastern Europe. Was it the Russians who had slaughtered millions of Jews in Europe, I was forced to ask myself, or was it the Soviet Army sweeping through Poland and Germany that saved the lives of most of those that still existed? How could one explain the attitude of Gollancz, if it were not to deliberately sabotage the friendly feelings of the British people towards the Soviet Union in those early days after the war?

Gollancz's actions in 1945 and Churchill's actions in 1949 by contributing money to the defence of Field Marshal Manstein, murderer of tens of thousands of Russians and Jews, are inseparable. Fawn on Russia as long as her aid was necessary to defeat Hitler and later Japan, slander her the moment her help was no longer necessary. And Gollancz the Liberal and Churchill the Tory, were joined by Labour M.P. for Northampton, R. T. Paget, and the son of Labour Minister Silkin, Mr. R. S. Silkin, in heaping abuse on the Soviet Union and defending

German militarism, when the last two, as barristers, undertook the legal defence of Manstein at Hamburg.

The English newspapers in November, 1945, were full of harrowing accounts of Germans arriving back from East Prussia, Silesia and the Sudetenland, in unheated trains and cattle trucks. A heat wave of emotion swept over the English people, who are kind-hearted folk, at the thought of so much human misery. The accounts were not balanced, by descriptions of long lines of Polish, Russian, Ukrainian and French slave workers, moving back and forth over the face of Europe, with whips and machine-gun bullets to keep them moving, or of civilian populations choking the roads of Europe during the fighting, with German planes strafing them from the air.

There were no reporters to describe these things at the time, no correspondents to describe fat German Nazi families, moving into Polish and Czech farms after the owners had been rounded up for the gas-chambers or the slave gangs. For the first time, the British public heard of such miseries after the war – with Germans the victims. Great sympathy for the Germans was whipped up in a number of London newspapers, not only those who had consistently supported the Nazis before the war and presented Hitler as a man who believed in cleanliness, orderliness and discipline – much to be preferred to Czechs or Poles, French or Russians – but also in the so-called Liberal papers, “News Chronicle” and “Manchester Guardian.”

To leave London where the natural sympathy for the underdog, implanted in most British breasts, was being exploited by the press, and to arrive in Berlin where a specific anti-Russian attitude was noticeable among the overwhelming majority of army officers and control commission officials, was not a large step. After that it was natural to find that it was the Germans of the concentration camps who were to be despised and the German generals who were to be pitied.

“A damned scandal that men like Jodl, Doenitz and Raeder should be held as war criminals,” exploded one Colonel of Press Relations to me almost the first night I arrived. “They should be released and working with us, giving us the benefit of their experiences.”

Some of them were.

The bars and clubs resounded with anti-Russian stories and it was particularly noticeable that it was just those officers who had no combat experience who were the most vocal about the necessity for, and ease with which the Russians had to be “pushed back into their own country.”

Despite the non-fraternisation regulations at that time, most of the officers had German girl-friends, all drawn from the same class, the class which had the advantage of education and travel, and could usually speak English. They poured out their tales of lost property, terror and narrow escapes from rape. (Despite thousands of stories about Russian rapings, in three and a quarter years in Berlin, I never met a German woman who herself had been raped, but there were an enormous number in Berlin’s West-end who would willingly go to bed with any soldier for twenty cigarettes.) The *frauleins* repeated the same stories with thousands of refinements into sympathetic British and American ears.

A friend of mine who arrived in Berlin in early 1946 and found the entire officer caste of the British Army pro-German and anti-Russian through the influence partly of the *frauleins*, said: “Lord, I would never have believed it, but I see now the penis is truly mightier than the sword.”

The *frauleins’* bedtime stories varied little. Their theme was the Russians were barbarians, uncivilised, unreliable, an inferior race little better than animals. They had won the War only because of American equipment, Russian winters and Anglo-American air power.

My first visit to a German family – a few days after I arrived – was to a mother and grown-up daughter, Helga, in the fashionable West-end of Berlin.

After a few words of general conversation there came a furious tirade against the Russians which was new to me then, at least from German lips.

“Why did you British and Americans wait so long on the Elbe?” questioned Helga. “We were waiting to welcome you with open arms. Instead of that you let the Russians come. Those savages. Those barbarians.” Her voice rose to an almost hysterical pitch as she repeated the lines she had learned as a faithful disciple of Goebbels. “You let those Mongol apes loose on a cultivated people like us, to rob, rape and destroy us.”

What a treasure for Mr. Gollancz, I thought as she babbled on in her frenzy, repeating catchwords and phrases from the Goebbels vocabulary.

At one point the mother paused between mouthfuls of gruel and bread to interrupt.

"You know, Helga, our soldiers didn't always behave as they ought to have done at the front," she said in a mild understatement.

Helga straightened up and flushed. "Mutti," she screamed, "I won't have you say things like that about our troops. German soldiers and German officers are always correct. They could never have behaved like these ... these ..." and she sought for a term sufficiently vile, "these Slavic gutter pigs. They should be our slaves and would have been but for that awful winter at Stalingrad."

I thought at that time that Helga was an exception, a candidate for a lunatic asylum, but I soon realised she was the normal spokesman for the Berlin upper middle-class.

It took me several weeks in Berlin and meetings with hundreds of Helgas and their mothers before I found anyone who spoke of Germany's guilt. Hitler's guilt, yes, because he had interfered with the generals who would have "won" the war. It took weeks to find anyone who had a feeling of guilt or a word of sympathy for the Russians or Poles. And the first one I met who spoke of Germany's guilt was one who had least of all reason to take upon himself guilt for the Nazis. He was a victim of Fascism, who had spent eight years in a concentration camp.

I had last visited Berlin in November, 1938, when the smoke was still rising from the synagogues and hundreds of shops had their fronts boarded up with planks, after the organised burning, smashing and looting by the brown-shirted bullies, Hitler's stormtroopers. In 1946, I found the German middle-class had forgotten about that episode and were innocent of any knowledge of persecution of Jews or Communists. "But we had no idea such things were going on," they would say with wide-eyed innocence.

I did not find Berlin in 1946 a more pleasant place than when I left it in March, 1939. I found the West-enders even more unpleasant than seven years previously. Their own and their neighbours' sufferings had taught them only to be more

callous, more ruthless, more arrogant, less sensitive to the sufferings of their fellows.

If Berlin, the city, had been crumbled into an unrecognisable rubble-heap, the West-end Berliners had changed little. They still had the annoying habit, which I remembered well from the old days, of marching down the street as if they were on a parade ground, gazing straight ahead, deviating from their course for nobody smaller than themselves. The weak, the young, the aged, had to leap aside to avoid being trampled underfoot by the well-fed, West Berlin burgers. A lost war, the collapse of an unholy and inhuman faith, a destroyed capital took away nothing of the arrogance from the Prussian middle-class.

The attitude of the western occupation powers from the first days was to bolster, praise and even curry favour with this arrogance. And after the first couple of years of occupation, they were made to feel that they were the real heroes, the pioneers of the fight against Communism; that it was the West which had made a mistake from the first in not fighting alongside the Germans to bring the Russians and Communism to their knees.

In Berlin, almost from the moment the occupation started, it was taken for granted by the Germans that if one spoke English, one would immediately sympathise with German “sufferings” at the hands of the Russians. Such was the atmosphere in the Allied clubs that it was regarded as seriously “bad form” to mention the record of German troops in the occupied countries, or the torture and execution of ten million men, women and children.

During my few weeks in London on my way to Germany from Japan, I had seen photographic exhibitions of Belsen, Dachau and Buchenwald concentration camps, the piles of children’s shoes, sacks of human hair all arranged with German tidiness; piles of bodies, dead indistinguishable from the still living. In Berlin one was amazed to learn that Germans had never seen these pictures. After a week or two of being accosted in bars and trams and being told of Russian atrocities, I felt that every bar and shop, every tram and train in every village and city throughout Germany should be forced to display these pictures. Then perhaps the middle-class – and it was always the middle-class – would not have the effrontery to accost one

in bars or on the streets and to complain about the Russians. Their stock excuse when one mentioned Ravensbruck or Bel-sen was, "Of course, we knew nothing about it. Yes, horrible. But all done by the S.S."

The German middle-class knew better than anybody else what was going on – especially as regards the Jews. They all had business dealings with Jews. Every city-dweller in Germany could see quite well what happened in the first week of November, 1938, when the synagogues were fired and shops looted. Concentration camps did not start with the war. They started within a few weeks of the abolition of the Weimar Constitution which gave Hitler his powers as dictator. The arrest of thousands of Communists, trade union officials, socialists and Jews did not take place in 1939 or 1940, but from 1933 onwards. One must mention these unpalatable facts because German "innocence" on these matters has been given official recognition by the highest British and American officials in Germany.

General Robertson, then British Military Governor, issued a statement on June 4, 1948, giving new "fraternisation" instructions to British personnel in Germany urging the friendliest and closest relations with the Germans. Amongst other things he said, "They are a Christian and civilised people to whom we can no longer bear any ill-will ... A people who had fallen under evil influences during the war."

What was done by the Nazis until the day war broke out is sanctioned in other words by General Robertson. No one could object to an appeal for friendly relations between the British and German people, but the nature of General Robertson's appeal is such as to drive home to the German people that the British chose them rather than the "un-Christian and uncivilised" Russians. General Robertson tells the Germans they were quite all right as Nazis, but went wrong "during the war."

To make it quite clear that the official attitude was to be anti-Russian and pro-German, Brigadier General Frank Howley, then U.S. Commandant of Berlin, publicly rebuked a U.S. officer who had sent a New Year's greeting to a Russian colleague. "I won't have any of my staff playing 'footsie-wootsie' with the Russians," said Howley, with his usual exquisite choice of language. Howley was one of those who insisted on

closest relationships between Americans and Germans – of the right reactionary type, of course.

One wondered whether Howley had turned a hundred and eighty degree circle in his respective attitudes towards Germans or Russians, or whether he had just dropped the mask he was forced to wear during the days of Allied co-operation. In any case nothing could do more to improve the morale of the thousands of neo-Nazis, than such statements by Howley and Robertson.

## **Part 2**

### **Wreckers of Unity**

When the Russians captured Berlin, they fought for it bunker by bunker, building by building, and street by street. What the R.A.F. and U.S. bombers had left intact was destroyed in the unprecedentedly heavy street fighting as the capital of the Thousand Years' Reich was won inch by inch from its S.S. defenders. Trams, underground, water supply, electricity and gas were all disrupted. The Russians set up a City Council of technicians and representatives of the four political parties which they licensed when they first crossed the border from Poland into Germany.

As mayor they chose a non-party man, Dr. Werner, a former professor from the Berlin University. The City Councillors were told to pick teams to help them and to get the city cleaned up and running again. The Soviet Army immediately put large stocks of food at the Council's disposal to avoid mass starvation during the first weeks.

The work done during the first 15 months of occupation by the Council appointed by the Russians was monumental. Volunteer gangs were enlisted to clear the streets. They were soon reinforced by batches of Nazis, too unimportant to prosecute, and batches of sturdy girls from the Bund Deutsche Maedel, the Hitler youth movement for girls. They could work out their penance by shifting rubble. The two outstanding figures in the administration were bald-headed, white-moustached Joseph Orlopp (in charge of food), and swarthy, young and energetic Karl Maron (head of the economics department). There was little time for playing politics in that first administration. It was work, work and work to get the city running again. By the time elections were held, in October, 1946, the fusion of Social-Democrat and Communist parties had taken place, and the most important members of the Council were S.E.D. members.

The elections, which were held under four-power supervision, were fought on unreal issues, and had nothing to do with the government of Berlin. The Western Allies and the western licensed press presented the elections as the only means of stopping the floodtide of Bolshevism from sweeping west to the Rhine. The platform of the Social-Democrats could have been

taken straight from Goebbels' propaganda arsenal. "Vote Social-Democrat and Stop Bolshevism" was the keynote from first to last.

The West-end Berlin middle-class trooped out stolidly and voted for the Social-Democrats for the same reasons they had voted for Hitler. "Only the Social-Democrats can stop the Communists," they said.

The Social-Democrats got slightly more than 50 per cent. of the votes; the Socialist Unity Party, 19.5 per cent.; Christian-Democrats, supported by the Americans, 21 per cent.; and the Liberal-Democrats, the champions of private property and free enterprise, only 9 per cent. Despite British pressure in the beginning to retain a coalition City Council with men like Orlopp and Maron back in their old positions, the Social-Democrats demanded a clean sweep. All the excellent technicians were thrown out. Key jobs went to Social-Democrats. Efficiency and experience were ruthlessly sacrificed for party political considerations. Reconstruction in Berlin came to a stop.

The Americans, who had hitherto backed the Christian-Democrats as they had in their own occupation zone, now swung their support behind the Social-Democrats when they saw the election results. (As a result of American food-packages instead of the meagre rations he had got from the British, Neumann, the hulking Social-Democrat leader in Berlin, filled out noticeably in the weeks that followed.)

When it came to choosing a new mayor, there were long discussions between Social-Democrat leaders and their Western advisers. In the end the choice was narrowed down to two men: Paul Loebe, former president of the German Reichstag, and Dr. Ostrowski. Both men were old Social-Democrats. The supporters of Ostrowski won the day, because they were able to prove that Loebe had some leftist leanings which might incline him to co-operate with the Russians or the S.E.D. Ostrowski got the job.

Within a few months, however, Ostrowski was in trouble. By late winter, 1947, the food crisis in Western Germany affected Berlin. Rations were cut, there was no coal, and it was a hard winter, which lasted well into spring. In the Soviet sector of Berlin "warming halls" were organised where people could crowd together and get a little heat from fuel provided by the

Soviet authorities. Discontent among the workers was rising. Many factories shut down through lack of fuel and electric power. A worker could earn as much food in a day by taking a packet of razor blades to the countryside and exchanging them for potatoes, as he could by working in the factory.

Mayor Ostrowski went to the various Allied commandants in Berlin to see what could be done about getting increased food and coal supplies. He spoke at first with the western commandants, and then with the Soviet commandant, white-haired General Kotikov. After the discussions with the four commandants were completed, Ostrowski made a statement that if he "had found the same consideration from the western commandants as he had found from General Kotikov, Berlin's food and coal problems would be well on the way to being solved!" Kotikov, it seems, was quite conscious of the difficult situation, and had made specific promises of extra allotments of coal and food.

The statement released by Ostrowski was his first "mistake." His second was that, in view of the desperate situation, he agreed to set up joint emergency committees with S.E.D. representatives to undertake common action in helping to solve the crisis. He struck a bargain with the S.E.D. leadership that, in exchange for the joint committees, the S.E.D. would withdraw their men from posts as deputy-burgermeisters, which they held in many of the suburbs.

For these two "crimes" the Social-Democrats, certainly under orders from the Americans, got rid of Ostrowski. They demanded his resignation in party faction meetings, and when Ostrowski refused to resign, the Social-Democrat leaders moved a vote of no-confidence in him at a City Council meeting. After that, of course, he was forced to resign.

### **Dr. Ernst Reuter, Von Papen's Protege**

The man the Social-Democrats selected to succeed him was Dr. Ernst Reuter. Reuter's nomination, backed by the Americans and British, was a deliberate insult to the Russians, and could only have been done to provoke a crisis in the city administration. It was a typically crude action of the U.S. cavalry officer from Texas, General Clay, who was U.S. Commandant of Berlin.

For months past, the Russian delegate in the four-power Kommandatura had objected to the appointment of Reuter as chief of the transport administration in the Council. The Kommandatura had unanimously to approve all measures taken by the City Council. The Soviet objection was based on Reuter's record. He was a renegade Communist, bitterly anti-Russian, and had spent the whole of the war years in Turkey, working for the Turkish Government. His passport had been renewed year by year, by von Papen, German Ambassador to Turkey. It is well known that the Nazis did not renew the passports of Germans abroad if they were political refugees, as Reuter claims he was. In fact, no political refugee or Jew would dare step inside a German Embassy abroad, because he knew quite well he would be in danger of arrest and deportation back to Germany.

It is not likely that in a place like Turkey, with few Germans, that von Papen was not accurately informed about Reuter's background, beliefs and activities. Reuter spent some years in the Soviet Union after World War 1, and worked among the Volga Germans. Disenchanted with Communism, he became the loudest-mouthed and most objectionable anti-Russian spokesman in Berlin.

By supporting this nomination the Western allies in Berlin showed, once again, they were not interested in good relations with the Russians, despite their pious declarations to the contrary. They were interested only in splitting the City Council and the Kommandatura as quickly as possible. The Social-Democrats, who had at first taken their orders from the British and afterwards gratefully licked the hand the Americans extended to them, could not possibly have nominated Reuter without Anglo-American support.

It was about this time, incidentally, that several British officials resigned and others were dismissed because they reacted against instructions that neither the Americans nor the Social-Democrats were to be opposed on any point, in future Kommandatura or four-power committee meetings.

The nomination of Reuter provoked, as expected, a first-class row in the Kommandatura. The Russians refused to sanction Ostrowski's resignation. General Kotikov released a statement to the press in which he correctly blamed the whole crisis

on the Americans. He charged that “certain American officers ... inspired and helped” the opposition to Ostrowski, and accused the Social-Democrat leaders of having forced Ostrowski out to “cover up their political bankruptcy and their inability to provide Berlin with an efficient administration.”

Kotikov’s analysis was correct so far as it went, but it fell short of disclosing the real aims of the Social-Democrats of the Reuter-Neumann school.

From conversations I had with Reuter himself and several of the American officers concerned, I am convinced that the Ostrowski crisis was just one more step along the road to the shooting war which the neo-Nazi Social-Democrats and certain of the Americans wanted. Berlin was to be the Pearl Harbor, the Bataan, the excuse to shock America into a war. Anything that the group of German-American conspirators could do to further that aim, any split that could be created, any wedge that could be hammered into that split, was a weapon to be used. They planned and schemed night and day to provide new incidents, provoke new crises which would force the east-west split, and out of that split make a war.

Of course the Ostrowski-Reuter crisis was presented to the world as one more example of Russian “bloody-mindedness.” It was used to spread the propaganda that it was impossible to work with the Russians.

If the Americans and British felt they were making use of the Social-Democrats, Reuter, Neumann and Co., for their ends, the Germans were quite sure they were fooling the Anglo-Americans and using them for their ends – to get the war started, to achieve with Anglo-American help what they had failed to do with Italian and Japanese help – to defeat the Soviet Union.

Kotikov, by use of his right to veto, succeeded in blocking Reuter’s appointment, and the senior Social-Democrat among the deputy-burgermeisters, Frau Louise Schroeder, became acting oberburgermeister, the first woman ever to hold such a post in Berlin history. Reuter had to bide his time, until the split between east and west Berlin was complete and a West Berlin City Council was set up in the British sector with Reuter as oberburgermeister.

As Reuter has been built up in American circles as one of the great future leaders of Germany – he has toured the United States, whipping up sympathy for the “oppressed and gallant” Germans in Berlin and hatred against the Russians – it may not be out of place here to describe my impressions of him. They were noted down after I lunched with him at the home of a mutual acquaintance early in 1949. Reuter was still basking in the warmth of having been described in the American press as the “outstanding American ally in the great fight for Berlin.”

Unfortunately for him on this occasion, Reuter was under the impression that it was an all-American luncheon party, so he revealed a side to his nature which was embarrassing to our mutual host and himself, when he discovered I was British.

Early in 1949, German politicians in the Western Zone, were wrangling over the Bonn Constitution. Somebody asked Reuter, over the soup, when Western Germany was going to have a government. He set down his soup spoon.

“It’s all the fault of the British, these delays,” he said. “If it were not for them wanting to tie us down at every hand’s turn, we would have had a constitution by now.”

His loose lips and flabby, pale face became distorted with passion as he began to complain at the increasingly anti-German tone in the British press. A very different Herr Reuter from the servile Social-Democrat who courted British favour in the days when the Americans were backing the Christian-Democrats.

As one who had played no small part in trying to awaken the British public to the dangerous resurgence of German nationalism and neo-Nazism, I was glad to lead Herr Reuter along this interesting path. His line was that of the extreme nationalists, of which Reuter must be regarded as an arrogant and dangerous example. It was the line with which I was familiar from talking to ex-Nazis, or listening to conversations in west-end bars.

“The British were responsible for Nazism. The German people had nothing to do with it at all. The British brought Hitler to power and kept him there. The British were now trying to give the Germans a constitution under which they would have no powers at all. The British were dismantling industries only for fear of German competition. If the British were out of

Germany all would be well. The British press was publishing critical articles and trying to make trouble between the Germans and the Americans.”

“As one who has written many such stories for the British press,” I interrupted – and Herr Reuter laid down his soup spoon again and wiped his lips, in embarrassed surprise – “I should like to point out that you can’t expect too much support from the British public, when the best line you offer differs in no way at all from that of Hitler and the Nazis. You plead for a strong Germany as a bulwark against Communism. That line may go down well with our American friends and in certain reactionary circles in England. The Americans are new to the European scene, but you must really think up something more original to appeal to British public opinion.”

Of course, there was much that was correct in what Reuter had said. British industrialists and British politicians did help Hitler to power. Chamberlain certainly saved him from being overthrown in 1938. Some British interests were in favour of dismantlings for reasons of competition. But such criticism came ill from a man who personally and through his Social-Democrat party never gave a sign of opposition to the Nazis. Typical of Reuter, also, was that he should find no hard words for the German industrialists and the spineless German middle-class political parties who really brought Hitler to power. Typical of Reuter’s hypocrisy was that he was appealing in America and England to just that class which had supported Hitler financially before and after his rise to power.

“What do you think are the chances of the Russians withdrawing their troops from Germany, without waiting for the West to move?” I asked Reuter, to break an uncomfortable silence.

“They withdrew from Korea, you know,” I reminded him, “and they are supporting moves for an early peace treaty with Germany and withdrawal of troops, within one year after the signing.”

“The Russians know too well that, if they pulled out, there would not be a Communist left in the whole of Germany within one week.”

“Why not?”

“We would hang them from the nearest trees and lamp-posts,” replied the Social-Democrat, the Oberbürgermeister of Berlin.

“You would do even better than the Nazis did,” I observed. “But presumably, if the Russians pulled out, they would leave behind a well-organised State, capable of maintaining order. What makes you think you would overthrow that State? Your record during the twelve years of the Nazi regime, and during the last 100 years of German history, would not lead one to think that the German Social-Democrats and middle class could carry out an armed coup.”

As at that time Reuter did not even dare enter the Soviet sector of Berlin, his courage in this comfortable home in the American sector was more than striking.

“I have just come back from a trip in Eastern Europe,” I said. “There, in Bulgaria, in Hungary or Czechoslovakia, one can talk to many people like you, who say that not one person in a hundred supports the Communist government. And yet those governments remain in power – and believe it is because they are supported by the majority of the working class and peasants. What makes you think that you German Social-Democrats could take over here in Germany, when your colleagues in Eastern Europe have either worked together with the Communists or dissolved into nothing?”

“Because there are Russian armies there to support the Communists. Without their support the governments would be quickly overthrown.”

“But there are no Russian armies in Bulgaria or Hungary. There were for some time after the war, but no longer. There were also Russian armies in Finland, but there the people decided for a Social-Democrat government, and it has remained. There were no Russian troops in Czechoslovakia when the workers took over the government in February, 1948.”

Then came one of those astounding statements which could only originate from the arrogant nationalist neo-Nazi type which Reuter personified.

“The only reason the coup carried out in Czechoslovakia was a success was that the Czechs had expelled all the Germans. If the German minority had been intact, such a Communist coup would have been impossible. And don’t forget,

when the time comes here it is we who will have the machine-guns."

It was an interesting luncheon, and Reuter turned to his American host and fellow-guests from time to time, for confirmation of his line. One of the American fellow guests, a Dr. Stern, of the Political Intelligence section, said to me later, over the coffee:

"You know, I don't quite get the set-up here. I have just come up from the Zone where things were simple. It was just the Germans against us, down there. You could bet that everything they did, wrote and said was directed in some way against the occupation. It was just a matter of checking on how dangerous the various trends were, and then trying to get some action taken to clip them back. But here they're all for us; fulsomely and servilely so. Now I'll be hanged if I know which is the real attitude. Here they're a thousand per cent. behind us in whatever we do, they do what we tell them, and they ask our advice before they do anything themselves. Down in the Zone, they just plainly hate our guts."

I did not have the advantage of meeting Reuter socially in a purely British gathering, but from my colleagues, I know that on such occasions his attitude was: "The British and Germans understand each other. We are both Europeans. The Americans are well enough in their own way, but are crude and gauche. They can never understand Europeans, know nothing about our real problems. They are interested only in fleecing Germany temporarily, and will lose interest in European affairs when they have milked the Continent dry. The future of Europe depends on the tightest collaboration between Germany and Britain."

Reuter is probably not as dangerous a figure as the Adenauer type in the Western Zone. He has the limitations of stupidity, arrogance and vanity. It is certain that at one time he saw himself in the role of West German Prime Minister, but is more likely he will be abandoned by both the British and the Americans, after he has served his marionette role in Berlin. Reuter has not the confidence of the Ruhr barons to play the larger role cast for Adenauer.

He played the crude and obvious game for German nationalists: first of all angling for the split between east and west,

then splitting the French from the western camp, setting British and Americans against each other, and finally playing off the different factions in the American camp one against the other. Above all, he worked against any solution of the Berlin problem. Any suggestion of a compromise was denounced by Reuter as "treachery." At all costs Berlin had to be preserved in a state of crisis as the future "casus belli" and in this he was supported to the hilt by the war clique in the American camp.

### **Planned European co-operation sabotaged**

There were plenty of ways of avoiding the various crises which beset Berlin, but the Social-Democrats were not interested in accepting them. In the days of the acute food shortage in 1947 and early 1948, long before blockade and counter-blockade were started, the S.E.D. deputy chief of Food Administration worked out an excellent scheme whereby food would be made available from Germany's neighbours and paid for by City of Berlin industrial production.

It was not an abstract idea of what might be done, but a concrete plan worked out to the last comma. The eastern neighbours, Czechoslovakia, Poland, Hungary and Bulgaria, were approached, also Norway, Holland and several other western countries. They agreed to supply specific lists of food and raw materials so that Berlin's factories could be run at full capacity again. The raw material would be returned as finished goods, and the labour would pay for the food. All of Europe was interested in having Berlin electrical goods, Siemens and Blaupunkt radios, Agfa film and chemical products; but factories had closed down or were working only part-time. The Scandinavian countries promised fish; Poland and other East European countries, grain and fats and meat; the Low Countries, fruit and vegetables.

It was a sound scheme, worked out by competent economists with hard offers and waiting contracts to work on. The Soviet commandant supported it, and offered to make the necessary extra electric power and coal available in his sector. But nothing came of it. Under pressure from the Western Allies, the Social-Democrats turned the scheme down. The crisis had to be maintained at all costs. Much better to lay the blame for

those cold homes and empty stomachs on the lands lost east of the Oder-Neisse line.

After the unilateral currency reform in the west – when the transport restrictions to Berlin were imposed, when factories were closing down in the western sectors, when parks and gardens were being robbed of their trees for fuel, when Berliners had two hours gas and electricity per day – Herr Friedrich Ebert, Communist son of former Prime Minister Ebert, and Oberbürgermeister of the Soviet sector of Berlin, offered to supply all the food, coal and power that West Berlin needed.

I attended a press conference called by Herr Ebert when he announced that stocks could be had by Herr Reuter's West City Council without any conditions whatsoever. No question of bargaining with food and coal for recognition of the newly established Soviet City Council. In the Soviet sector they had just introduced the most generous coal ration Berliners had enjoyed since the war. In the Western sector, air-lift planes were bringing coal in sacks from the Ruhr. The beautiful Grunewald park was being completely denuded of its trees. Every second tree in the streets and avenues of West Berlin was being cut down for fuel. The air-lift was costing Berliners thousands of dollars every day.

The total bill for the fifteen months of the air-lift is estimated at 210,000,000 dollars, almost one hundred dollars for every ton of food and coal carried. An expensive lesson for the Berliners in future to disregard the demagoguery of their Social-Democrat West Berlin City Council. The bill for the air-lift should be sent to Reuter and his colleagues, who could have forced the Americans to call off the airlift any time they wanted to. Because of the air-lift, West Berlin is a bankrupt city with a quarter of a million unemployed, and is likely to be plunged ever more deeply into debt unless a clean sweep is made of the present administration.

"We have the coal and food stored in our warehouses," said Mayor Ebert. "They can be had by Herr Reuter for the whole of Berlin without any conditions whatsoever. And if Herr Reuter does not want to accept, individual suburban burgermeisters can have it. They can collect from us or we will deliver it to them."

Reuter turned down the offer and forbade any of the Western burgermeisters to accept, although some of them made public statements at first, gladly welcoming the generous offer. The crisis had to continue. The air-lift was the best publicity West Berlin and Herr Reuter had, and it offered the best chance for the transformation of the "cold" war into a shooting war.

The Ebert council then offered individual Berliners from the Western sectors the possibility of drawing their food and coal rations in the Soviet sector. Special depots were set up for them. Many thousands accepted this offer despite strong hints of discrimination against them by the West. People who drew their rations in the Soviet sector were told they would never again be able to register in the West. Western industries which took advantage of the Ebert offer of coal supplies were black-listed by the Western Allies. After the first few weeks of hauling their coal rations home from the Soviet sector, West Berliners had their sacks of coal confiscated by the West Berlin police at the sector boundaries.

No solution could be accepted by Reuter and Co. Their camp was heavy with gloom when there seemed any chance of settlement – a gloom reflected in the headquarters of Generals Clay and Howley.

By September, 1949, Reuter was complaining that Western Allied inaction was "bleeding" Berlin. "They send us experts and make nice Sunday speeches," he said, "but they come to no decision that will save the city from despair." (The words have a familiar ring. They are faithful echoes of those pronounced by General Kai-shek during the last months preceding his eclipse. Reuter would do well to study the history of American help and promises of help to Chiang and the final results.)

Reuter did as much as any single person to create the situation which he went on to describe as "intolerable."

"The city is now like a ship without a rudder," he said, ending his statement with a typical Reuter impertinence: "How can people go on without lapsing into complete despair, while our Allied friends sit and wait for Vishinsky?"

The greater the misery, the colder and hungrier the Berliners became, the more Reuter and his Western advisers hoped to turn them against the Russians. An incessant campaign in the West German press denounced the Russians in most

insulting terms as being responsible for the city's troubles. The Nazis came out of their holes, and it was impossible to distinguish between the West Berlin press of 1948 and that of 1939, for the violence of its polemics against the Soviet Union and the Communists. Leading the campaign was Reuter, late official of the Turkish government, protege of von Papen, Social-Democrat whose declared ambition was to outdo the Nazis and hang all Communists "from the nearest trees and lamp-posts."

Reuter fancied himself not only as the "saviour" of Berlin but also as the champion of German rights all over Europe. On January 17, 1950, we find Mayor Reuter urging the Western world to restore "liberty" to Poland and Czechoslovakia. It was understood but not expressly stated that this "liberation" would be accomplished by German arms.

"Europe cannot be saved on the Rhine river," Reuter told 14 visiting American editors. "Europe extends to the Curzon line on the borders of Poland and Russia. We do not fight for the liberty of Germany alone, but for the Poles and Czechs too. We have to fight for their liberty to save the peace of Europe."

Fortunately the Czechs and Poles have vivid memories of the sort of "liberties" which German armies fought for last time they invaded Eastern Europe, while Reuter was working for Germany's friendly "neutrals" the Turks. But Reuter never gave up hope of turning Berlin into a "Sarajevo," as one of his colleagues recently expressed it, which would kindle the sparks of World War III.

It was Reuter who inspired the foolish attempt in January, 1950, by American military government, to seize the headquarters of the Soviet Zone railway administration, which happens to lie a few yards inside the American sector of Berlin. Reuter claimed its six hundred rooms should be used for office space by the West Berlin Council, although the building contained the entire switchboard not only for railways throughout the Soviet Zone, but also for Berlin as well. The switchboard controlled the food supply route from the Western Zone to Berlin. It was another example of Reuter sabotage and provocation, and it was paralleled by actual sabotage on the railway lines which caused several accidents.

Western police with American support seized the building, but were forced to turn it back again a few days later when the

Soviet Zone authorities pointed out that without their headquarters they could not guarantee full operation or the safety of the Berlin and East Zone railways

Reuter wanted this breakdown in order to have the airlift started again and the crisis sharpened. After the Americans withdrew, Reuter complained: "This American retreat has caused the Russians to feel much stronger. Having seized the building, it would appear the only course would have been for the Americans to stick by their positions."

Reuter's friend, Erich Reger, editor of the Goebbels-type "Tagesspiegel", went even further in condemning this American "weakness": "The American retreat is more dangerous than a new blockade. The population of West Berlin will never understand the tolerance of Soviet enclaves in the Western sectors."

Reuter and Reger had banked on a new blockade when they provoked the incident. If the Western Powers were not quick enough on their own initiative to provoke anti-Soviet incidents, Reuter and his colleagues were always at hand, intriguing and plotting new and ever more dangerous provocations.

### **Conspirators in high places**

The best-documented example of sabotaging four-power relations and hoodwinking the general public by the British and American representatives on the Control Council, was the handling of the decartelisation project. Fortunately, in this instance, we have a record of exactly what happened from what must be regarded as an impartial source – a United States' Senate Committee of Investigation and the evidence of a Mr. Russell Nixon, a U.S. official in charge of breaking up the German trusts.

The record states, in the clearest language, that from the earliest days of four-power government it was the aim of some of the most highly-placed American and British officials to betray allied agreements and to preserve as much as possible of the German heavy industry and the great industrial and financial trusts. There were honest men on the American side who tried to carry out agreed policies, but one after another they were either dismissed or they resigned, disgusted and frustrated. The last one to fight for a strong law to break up the

German trusts was James Stewart Martin, Chief of the Decartelisation Branch, who threw in his job in 1948.

The Potsdam Agreement laid down a clear directive as to policy on the question of German trusts: "At the earliest practicable date, the German economy shall be decentralised for the purpose of eliminating the present excessive concentration of economic power as exemplified in particular by cartels, syndicates, trusts and other monopolistic arrangements."

The Potsdam Agreement named German heavy industry as the chief villain in modern German history, the strategic base for German aggression in three major wars. The part played by the top-hatted, frock-coated Ruhr industrialists in financing the Nazis, the rich rewards of plunder they received for their early support of Hitler, were clearly enough revealed at the Nuremberg trials.

The belching chimney-stacks of the Ruhr have spelt more ill than good for Europe over the past 70 years. The monolithic industrial combines fomented crises, directed foreign policies, made and broke governments, not only in Germany, but in neighbouring countries wherever the tentacles of their investments and trusts reached. Through tie-ups with other industrial trusts, they controlled supplies and prices of basic raw materials, of chemicals. They suppressed alternative or cheaper supplies. The German trusts were more than a state within a state, they were a state within the whole European continent, and could make governments jump when the top-hatted directors pulled the strings.

Public opinion throughout the world demanded that an end be put to the German industrial trusts, and public opinion was given legal sanction in the clauses of the Potsdam Agreement, signed by the chiefs of government of the Soviet Union, Britain and America.

The very names of the great combines were internationally known and detested, so closely were they linked with war and aggression. Krupps, I. G. Farben, Thyssen and Henschel, to mention but a few, are names which have aroused a feeling of horror in at least two generations of Europeans. They were symbols only of the vast complex of undertakings which the signatories to the Potsdam Agreement were pledged to destroy. That some of the highest officials entrusted with carrying out

this agreement were pledged to save these great combines is clear from the following testimony of Mr. Nixon before the "Sub-Committee of the Committee of Military Affairs, United States Senate." The enquiry lasted from February 25 to March 6, 1946.

The date is important. Less than a year after Germany surrendered, and long before there was any talk of Allied disagreement or the possibility of splitting Germany.

I am quoting extensively from Mr. Nixon's evidence because in this one facet of Control Council activity one has the general pattern of how completely four-power unity was sabotaged. It is a picture presented by a highly-placed official who took an intimate part in day-to-day proceedings. The pattern he discloses in his particular branch applies equally well to every other important phase of four-power discussions. The first blame in this case is laid at the door of the British, but as the story develops one sees how valiantly the Americans, too, came to the rescue of German heavy industry.

### **Saving German military and economic power**

"After months of discussion and negotiations," stated Nixon, "there is still no law which would diffuse the gigantic concentrations of economic power in Germany, curb their activities or prohibit their multiplication. In fairness to our own representation on the Allied Control Council and that of the Russians and French, it should be stated as of November 21, 1945, the United States, Soviet and French representatives on the Co-ordinating Committee (of the Control Council) did reach agreement on a draft law conforming generally with United States policy and with specific directives received from Washington. The matter was tabled, however, because of British opposition.

"This stalemate cannot be attributed entirely to British resistance. The history of the efforts to draft a law eliminating cartels and excessive concentrations of economic power in Germany indicates that the United States representation on the quadripartite levels in the Directorate of Economics was vacillating and unsympathetic to the basic objectives of the law."

The U.S. representative was Brigadier-General William H. Draper, Jun., of the investment banking firm of Dillon Read,

who, we must never forget, gave the German heavy industrialists their first big start after World War 1, with a hundred-million-dollar loan to Fritz Thyssen's United Steel Co.

"Our representatives," continues Nixon, "by failing to assert the very vigorous and definitive United States policy with respect to cartels and monopolies, encouraged the British predisposition to resist and discourage the proffered Soviet support for a strong law. Instead they followed a policy which was reflected by (1) excessive regard for what would or would not be acceptable to the British rather than the execution of United States policy; (2) refusal to define issues; (3) advocacy of emasculating compromises such as the elimination of mandatory provisions."

(The term "mandatory" was the purposely vague name given to the very precise and concrete Russian proposals for an exact description of what constituted an "excessive concentration of economic power in terms of personnel employed, annual turnover, etc.")

Nixon at this stage proceeded to give a short history of the negotiations, to support the general charges he was making.

"Shortly after the organisation of the Control Council, the U.S. representative, at the first meeting of the Council's Co-ordinating Committee on August 19, 1945, filed a draft law providing for the establishment of a commission to carry out decentralisation of the economy and elimination of cartels and excessive concentrations of economic power. In the Economic Directorate to which this proposal had been referred, the Russians on September 12, 1945, offered a counter-proposal in the form of a simpler law, which defined cartels and excessive concentrations of economic power, prohibited them outright under specified penalties for violations, and provided the Economic Directorate should make specific exemptions, in particular cases. It was agreed unanimously to use the Russian draft as a basis for subsequent discussions.

"At the risk of repetition, I should like to make clear the essential difference between our draft and the Russian draft, because, despite the unanimous agreement to use the Russian draft as a basis for discussion, our draft was continually being projected and it constituted one source of much of the confusion. Under the Russian draft, cartels and excessive

concentrations of economic power were explicitly labelled and made illegal. Excessive concentrations of power were defined to be enterprises with more than 3,000 employees or more than 25,000,000 Reichsmarks turnover. In the months following this definition came to be known as the mandatory approach. Our initial proposal provided for the establishment of an administrative agency without setting forth any rules for the guidance of that agency ..." (This was a favourite method used by the Americans and British to gain time, to await the day when world tempers had died down again and the demand for the destruction of the trusts would be forgotten.)

"In the immediate period following," Nixon continued to testify, "United States representatives, without openly challenging the mandatory approach, continued to press for the adoption of their own views. Major Petroff, a General Motors attorney, reported he had negotiated a compromise version with the Russians. This turned out to be a short version of the original law proposed by the United States representative at the Control Council which at best merely provided for administrative machinery. There were no prohibitions in the law. At the September 27 meeting of the Economic Directorate it was apparent that nobody has agreed to any compromise.

"The British representative was obviously opposed to the law, though he recorded his government's agreement with the purpose of the law 'in principle' and its eagerness to expedite its issuance. As evidence of this desire to expedite matters, he proposed referring the draft to a working group, offering to name his representatives immediately." (This was a favourite time-wasting trick. Once matters had been passed down the line to working parties, they became bogged down for months and were often never heard of again. It was a method usually adopted when one party or another wanted to avoid passing a law but did not want to take public responsibility for having wrecked the agreement.)

"General Shabalin, the Soviet representative, said there had been sufficient time for technical consideration and that the Directorate members were competent to act in the matter."

## **Wreckers or traitors?**

There follows a clear example of how the men on the spot wrecked every possibility of four-power agreement even on those few issues where the governments themselves seemed agreed. Here is the classic example of how highly-placed officials sabotaged their own government's policy. By repeated cables of explanation of "Soviet difficulties," by deliberate defeatism, they brought their governments to believe that agreement was impossible; and the wedge between Russia and the West was driven a little deeper. A discussion was forced to a stage where a Russian refusal to go further was inevitable, and this was immediately cabled back as "Soviet lack of co-operation." The reactionary representative of a British Socialist Government, Sir Percy Mills, representative of British heavy industry, director of W. & T. Avery & Co., president of the Birmingham Chamber of Commerce, set out by his own acts to prove to the British Government that its policy was impossible, due to Soviet "obstructionism," and gave it the opportunity of taking an even stronger anti-Soviet line. If that is not conspiracy and treachery, what is?

"Sir Percy then stated," continues Mr. Nixon, "that he could not consider the draft law, because only the Legal Directorate could draft a law. He then proceeded to discuss for ten minutes the exact import of the word 'stock ownership' in the draft. General Draper suggested that the same kind of question could be raised over the word 'concern,' and Sir Percy observed that was going to be his second point. It developed that the German word 'concern,' and the French and Russian as well, means the largest combination possible of business enterprise, that is the largest concentration of economic power situated within a country, such as I. G. Farben. But this term carried no significance for Sir Percy. After much discussion, General Shabalin proposed to substitute our word 'combination' and add in parenthesis the equivalent of the German word 'concern.' This suggestion, however, was rejected by Sir Percy as meaningless.

"It should be noticed that, in the course of the discussion, General Draper introduced the so-called compromise draft by proposing that one of its sections be substituted for the Soviet section defining excessive concentrations of economic power.

The effect of this one substitution, which was promptly rejected by the Russians, would have been to transform the mandatory provisions of the law into mere reporting requirements.

“After hours of discussion of this character, a working party was appointed and instructed to file a draft within five days for consideration by the Economic Directorate. At General Shabalin’s insistence, however, the working party was directed to use the Soviet draft as a basis. At Sir Percy’s insistence, a long list of principles was referred to the working party for consideration. These principles, summarised, were that size alone may carry advantages, and that no elimination should be made because of natural advantage of size. General Draper also submitted his so-called compromise draft, for the consideration of the working party. In other words, everything was thrown into the ‘hopper’ all over again.

“I have described this early meeting in detail, not so much because these details are interesting or even important in themselves, but because that meeting is typical of all subsequent negotiations.”

Mr. Nixon might well have added here, that if his colleagues in other divisions were as honest as himself, they could have told similar stories of chicanery and sabotage in every phase of Control Council activities. The same tactics were applied in discussions on demilitarisation, denazification, coal production, every other important matter that came up. When the British or Americans wanted to sabotage some particular provision of the Potsdam Agreement, they did not oppose it openly because this would have exposed their governments. They always agreed “in principle,” and proceeded mercilessly to drown the proposal in a sea of artificial difficulties. Mr. Nixon follows the intrigues in this case right through to the bitter end.

“At the working party meetings, the British representatives continued to raise technical considerations at every point, and ever the debate over the German word ‘concern’ recurred. The Soviet and British representatives engaged in protracted debate over the objectives of the law. The Soviet representative argued emphatically for a law that would explicitly prohibit specifically defined concentrations of economic power in Germany and German participation in international cartel

arrangements. The British representative continued to insist that the working party could not draft a law because that was the function of the Legal Directorate; that only general standards and not specific prohibitions could be considered; that it was impossible to define excessive concentrations of economic power; and that German participation in international cartels could not be prohibited, because Germany had to export to live.

"These debates continued for four of the five days allotted to the working party to finish a draft. Mr. Bell (Draper's deputy, a Chicago Corporation lawyer and author) saw merit on both sides. Mr. Bell definitely supported the British insistence on including in the final draft the principles that size alone and the natural advantages of size alone should not be prohibitive. When Mr. Bell agreed with the Soviet representative that the working draft must contain specific prohibitions, Colonel Bowrie, of General Clay's staff, supported the British representative, claiming that he did not know what constituted a cartel, that Potsdam was not clear on this subject. The upshot was a working party draft which merely enumerated a long list of criteria for eliminating excessive concentrations of economic power in Germany, with no mandatory prohibitions, except for outright prohibitions, of cartel agreements.

"On October 15, the document arrived at by the working committee was forwarded by the Economic Directorate to the Co-ordinating Committee, where it was discussed on October 20. The Soviet representative, while approving the principles laid down by the paper, observed that they were too general and should be in a form more easily implementable. He suggested that the advisability of stating in the text the number of employees, the annual turnover and the percentage of an industry that would constitute an excessive concentration of economic power. The British representative said he was not opposed to that in principle, but that it would be difficult to determine the number of workmen an enterprise may employ. General Clay (who in those days had his own reasons for carrying out his government's directives, as we shall see in the next chapter – Author) proposed the following specific numbers: 3,000 employees, 25,000,000 Reichsmarks annual turnover and 10 per cent. of production or other activity in any one field

of enterprise. By agreement the whole record was then referred to the Legal Directorate for embodiment in a law."

On the face of it, it looked as if the matter was settled. In the end, General Clay had come back to the original Soviet proposal – even improved on it by adding the 10 per cent. clause. If the law had been accepted, German heavy industry would have been really broken up into controllable units. I. G. Farben could never have existed again. But it would be underestimating the ingenuity of the wreckers if one thought the matter was settled there. The open representatives of American big business, Draper and Co., then started deliberate trickery. Cables were sent behind the backs of their chiefs, to Washington, seeking to confuse the issue; and by promoting contradictory cables from a completely bewildered Washington, provided themselves with enough ammunition to wreck the law again. In some instances they resorted to deliberate lying."

"Shortly afterwards," the melancholy narrative of Nixon continues, "we were advised by Colonel Bernstein (Chief of Decartelisation Branch – Author), who was then in Washington, that the working party report had been unfavorably received in Washington because it fell far short of our established policy. A Washington T.W.X. (teleprint – Author) conference was arranged for October 24, and representatives of D.I.C.E.A. (Decartelisation Branch) were invited to participate in Berlin. As a result of this conference, U.S. representatives in Berlin were instructed to support a draft law which would include mandatory provisions prohibiting domestic monopolies."

At this stage Washington, in fact, accepted the first Soviet draft as being in line with what they wanted. Washington objected, at this point, to any watering down of the strong law originally provided for in the Potsdam agreement. Subsequently, of course, this view was altered.

"In the Legal Directorate, the new U.S. draft law complying with the instructions received during the T.W.X. conference was accepted on October 30 by all powers. There apparently remained only the need for the Economic Directorate to fill in the blank spaces in the mandatory provisions for (a) the percentage of the industry; (b) the annual turnover, and (c) the number of persons employed. Figures for the last two of these had been in the original Soviet draft, had not been objected to

by anybody in any stage of the proceedings, and had been reaffirmed by General Clay when he proposed figures for all three standards on October 20, at the Co-ordinating Committee.

“Despite this, however, our representatives persisted in raising questions about the instructions from Washington. This was done by eliciting alternative instructions from Washington. (My emphasis – Author.)

“For example, on November 1, 1945, a cable came in from the State Department to Ambassador Murphy. It was in answer to a cable Ambassador Murphy had sent to Washington which we had never seen. This cable twice referred to the mandatory provision proposed, and merely offered an alternative mandatory standard, apparently on the premise that the turnover standard would cause difficulties. Despite this, representations were made by people in the Economics Division to the effect that Washington had withdrawn the mandatory approach ...”

Nixon describes more and more confusing cables sent to Washington, meetings and intrigues by Draper & Co. behind the backs of the Decartelisation officials, more and more people becoming involved, and Nixon himself being reprimanded because he sent a cable to his chief in Washington presenting a true picture of the situation. In the end Washington again stuck to the Potsdam position and issued instructions that the original draft should be followed. Once again one would think that nothing could stop the law from going through.

But the wreckers were determined men, fighting for heavy stakes. They were fighting a life and death struggle for German heavy industry, and for present and future American and British investments in that industry. They were not bothered about moral or legal scruples. They were worthy representatives of their masters who traded in death.

“Finally the Economic Directorate submitted the law to the Co-ordinating Committee on November 17, indicating that the Directorate could not arrive at a unanimous decision. Thereafter General Draper reported to General Clay’s meeting of division directors that the vote in the Economic Directorate had been 3 to 1 against the law as approved by the Legal Directorate. It was claimed by the Economic Division that the Russians had changed their position. As a matter of fact the

Russians had not changed their position but were confused on our position.

“They were deliberately misled by such people as Major Petroff, who boasted that he had been instrumental in getting the Russians to change their position and that Ambassador Murphy had specifically asked him to do so. When asked how he explained the apparent change in the Soviet position, since they had been the first to propose a mandatory law, he replied, smilingly, that he probably had something to do with that, too. When subsequently we asked a Soviet representative why the Russians no longer took an aggressive position in the Economic Directorate on the issue of a mandatory as opposed to a discretionary law, he replied that if we wanted that kind of a law we could count on their support any time we showed them that we meant business. He made it clear to me that the Russians were led to believe that we were going to throw in the sponge and they had decided they were not going to fight for our law if we ourselves would not. As a matter of fact, General Clay told me he was particularly gratified by General Sokolovsky’s support of our law at the Co-ordinating Committee – he told me this less than 10 minutes after members of the Economics Division had told me that the Russians had opposed the United States position in the Co-ordinating Committee and that we had been outvoted 3 to 1. The Co-ordinating Committee meeting minutes of November 27 clearly show the opposite to be true. The British stood alone in opposing the law. In face of this unilateral opposition the Co-ordinating Committee agreed to drop the matter with leave for anyone to bring it up again.

“On December 8, the State Department informed Berlin that if the British representatives on the Control Council were unwilling to accept a law with mandatory provisions, the State Department would take the matter up at a governmental level. On December 11, General Clay replied that the British were opposed to the law and that he would not bring it up again until he received instructions to do so. There the matter rested, so far as I know, when I left Berlin a month later, and I have heard of nothing since that changes the situation.”

Nixon concludes this first part of his testimony with the following words: “It is my conviction that Germany can never be economically disarmed until her internal monopolies,

industrial trusts and her external cartel arrangements are destroyed. A thorough-going program to achieve this must be instituted immediately. And its execution should be entrusted only to officials who are interested in carrying out the Potsdam Agreement and the policy directives of their government rather than in preserving their old business connections and their own economic position."

### **I. G. Farben's infamous record**

Just what the trusts meant to Germany can best be illustrated by a brief review of I. G. Farben (German Dye Co.) and its ramifications. I. G. Farben directors and their associates abroad, including key men in the Standard Oil Co., did their best to cover up the activities of this mammoth combine. At the end of the war some records were destroyed, but many others were hidden away in the homes of I. G. Farben employees, in monasteries, mines, beer halls, caves, anywhere where it was thought the infamous record of I. G. Farben would be buried from the public gaze and the prying eyes of Allied research teams. That most of the records were hidden, rather than destroyed, shows the hopes of I. G. Farben heads that the Allied occupation of Germany would represent only a short armistice, after which the trusts and industrialists could come out of their hide-outs again. Their conjectures were only too well-founded.

With a total value of at least £300,000,000, I. G. Farben represented the greatest chemical combine in the world. Thirteen per cent. of its capital is held in foreign hands, mainly by Du Pont Nemours of America, Imperial Chemical Industries of England, and Francolor of France. Its holdings outside Germany amounted to at least another £50,000,000, representing five hundred firms, totally or partly owned. In Germany, I. G. Farben owned its own mineral deposits, mines, coke-ovens and power-stations, as well as its purely industrial and chemical plants. Abroad it maintained a complex espionage organisation, which was placed 100 per cent. at the service of the Nazis.

Its enormous importance to the German war potential enabled it to have favours in its dealings abroad that no other German firm had. It was kept informed of the time-table for German conquest so that the planners could arrange for the absorption of the chemical industries of Austria, Czechoslovakia,

Poland, France, Russia, and eventually England, into the vast combine. And by the attitude of the French directors of Francolor and certain executives of Standard Oil in America, it seems the international industrial fraternity would have been nothing loth to play their parts in helping along the absorption process.

I. G. Farben's role in the war machine can be gauged from the following percentage figures of I. G. Farben's production in various important fields:

Synthetic rubber	100 per cent.
Methanol	100 per cent.
Sera	100 per cent.
Lubricating oil	100 per cent.
Poisonous gases	95 per cent.
Nickel	95 per cent.
Plasticisers	92 per cent.
Organic intermediates	90 per cent.
Plastics	90 per cent.
Magnesium	88 per cent.
Explosives	84 per cent.
Nitrogen	75 per cent.
Solvents	75 per cent.
Gunpowder	70 per cent.
High-octane gasoline	46 per cent.
Sulphuric acid	35 per cent.
Synthetic gasoline	33 per cent. (but 90 per cent. through I. G. Farben patents)

This list includes only a few of the most important products that I. G. Farben dealt in.

A dramatic illustration of how the cartel arrangement with other chemical and industrial groups abroad worked to control prices, divide up markets and exchange trade secrets was provided in the U.S. Department of Justice Enquiry in 1941-2 into the activities of Standard Oil of America with regard to the development of synthetic rubber in the United States. One had thought that, after the scandals of World War 1, such things had come to an end. The enquiry illustrated the big business conception of "patriotism" when national and private business interests collide.

Standard Oil had an arrangement for an exchange of research developments with I. G. Farben. Under this, Standard loyally provided I. G. Farben with the secrets of tetra-ethyl lead, without which the production of modern, high-octane aviation gasoline is impossible. Standard, indeed were so obliging that when Germany's war preparations were almost complete, after she had swallowed Czechoslovakia and was preparing the blitzkrieg into Poland but was short of the lead from which tetra-ethyl is extracted, Standard shipped in 500 tons of this lead. An I. G. Farben report gratefully acknowledges the help it received from the Standard Oil contributions, which, as the report says, "are just now, during the war, extremely useful to us."

When it was a question of the United States getting important secrets, however, it was another matter. When the world rubber situation became acute after war broke out in 1939 and Britain no longer had shipping resources to distribute her supplies from Malaya, rubber companies in the United States began to agitate for the production of synthetic rubber. It was known the Germans were producing large quantities of buna rubber. Standard Oil prevented other American companies starting research into means for making buna, by stating that under their cartel agreement with I. G. Farben they already had the secret. When the rubber companies clamoured for the processes to be made known, Standard said they were investigating the best means for licensing the process.

It took a governmental investigation by then Senator Truman, with Senators Kilgore and Bone, to pry out the true facts. Standard did not have the secret process for buna. They deliberately held up American research and war preparations to defend German interests. They deliberately lied to the American rubber companies. Even after the Germans invaded Poland, Standard still held up American research into buna rubber, at the same time assuring the rubber companies that the process would be released to them in good time.

Eventually, in October, 1939, a Standard representative, Mr. Howard, met I. G. Farben representatives in Berne, Switzerland, and told them he could no longer resist the clamour for the processes, and Standard would be glad of some reasonable excuse from Farben to explain away the situation. The

Farben representatives agreed to cable New York that the German government would not allow them to divulge the processes. Mr. Howard was most grateful.

There were plenty of other instances in which the American and to a lesser extent the British war effort was weakened by American firms “loyally” abiding by their cartel agreements with I. G. Farben. There was an agreement between the U.S. Aluminium Corp. and I. G. Farben to restrict magnesium production in the United States, and an agreement on smokeless powder between Remington Small Arms and I. G. Farben which held up supplies to Great Britain to as late as 1941.

### **Who was responsible for this miracle?**

By some miraculous chance – and one day this may form a profitable theme for an investigation commission – most of I. G. Farben plants were spared during the war.

If one starts with the enormous I. G. Farben headquarters building in Frankfurt – now the headquarters of Anglo-American occupation authorities – one would think a magic circle had been drawn around I. G. Farben establishments to save them from Allied bombers. The I. G. Farben building in Frankfurt, covering several acres of ground, stands out as a flourishing oasis of concrete, steel, marble and glass, in a desert of rubble and destruction. By its size, shape and location on top of a small hill, it stands out as Number 1 target in Frankfurt, whether for high or low level bombing. But it survived without a scratch – a nerve and research centre for the German war effort till the end.

The best information based on Allied economic intelligence reports is that the total damage to I. G. Farben plants at the end of the war was 15 per cent. I. G. Farben technicians estimated that within three months they could have the whole industry working on a 95 per cent. basis again, given raw materials. And they were given the raw materials.

The position of I. G. Farben as of September, 1949, was that no plants had been dismantled or destroyed in the Western Zones. In the American Zone, where Farben had its headquarters and one quarter of all its plants, the enterprises were grouped into seventeen large units and were under the control of German trustees. It represents the only case of an enterprise

having been broken up at all in the United States Zone, and action was taken only because I. G. Farben was placed from the beginning under a special four-power control board. It was the only enterprise handled in this fashion, so it hardly came within the scope of the decartelisation law we have been discussing.

Despite strict allied directives to the contrary, I. G. Farben plants in the American Zone received priorities for supply of raw materials, and are producing more now than before the war. The infamous Gensdorf poison-gas plant, marked down on the list of war plants to be destroyed, is working at full pressure again. The Americans changed its name to Anorgana, and it is operated by the Bavarian government. It is officially manufacturing anti-freeze agents, raw material for lacquers and various other chemicals. It employs 300 persons and production is going up by leaps and bounds.

The British complain that the I. G. Farben plants are tending to coagulate again, and they oppose American proposals to sell the seventeen units to the present trustees.

The British have their own reasons, in that early promises of the elimination of I. G. Farben and Potsdam decisions not to allow the Germans to have a chemical industry had given great hopes to the British chemical industry. Expansion had already started on the basis that I. G. Farben would be eliminated. Now, with American benevolent protection, I. G. Farben under new names is already competing in a big way with the British chemical industry.

It was doubtless with the experience of the I. G. Farben cartel arrangements and their effect on the American war effort fresh in their minds that Washington officials took a strong and clear line in the early phases of decartelisation. The Truman-Kilgore wartime commission had deeply stirred public opinion at the time, and the American man-in-the-street was strongly anti-trust. Roosevelt had done much to expose the machinations of American trusts and to curb their activities. Several of the Roosevelt "trust-busters" still held high jobs in Washington and took a deep interest in the developments in Berlin. Washington, too, in this case was kept informed as to what was going on, by frequent reports from Nixon to his chief, Bernstein. In most cases decisions in Berlin were taken or not taken, and

Washington was laconically informed afterwards of another failure due to “Russian obstruction.”

Needless to say, the press was thoroughly hoodwinked over the whole matter. If highest officials lied to each other and to their governments, if departmental chiefs kept back information from their colleagues, one can imagine how much chance the press and public had of learning the truth. My interest in decartelisation led me to interview many British and American officials on the subject. The reply was always a variation of the old familiar theme: “Can’t get anywhere with it, old man. You know what the Russians are!” It was only later, when armed with the report from which I have quoted so extensively above, that I was able to press more searching questions, and eventually got confirmation of the picture as presented by Nixon. By that time excuses given for non-decartelisation had been developed in another direction. But more of that later.

### **The guilty men named**

Before leaving Mr. Nixon’s evidence, there are a few more valuable contributions from him when he was being cross questioned by the Chairman of the Committee, Senator Harry Kilgore, from West Virginia. In reply to a question as to who was chiefly responsible for the impasse, Nixon replied:

“Let me say at the outset that it is my judgment that General Clay did agree with the tough policy. (The explanation for this tough line of General Clay becomes clear in the next chapter – Author) ... But below him his officials were sabotaging his policy. How were they doing it? Perhaps I had better say who they were. First of all, of course, is General Draper, the head of the Economics Division, former Dillon Read official; Mr. Laird Bell, a corporation lawyer from Chicago, of the Liberty League (club frequented by wealthy financiers and bankers – Author), who was deputy chief of the Economics Division ... who since he came home has made it very clear that he disagrees with Potsdam ... a Major Petroff, Russian-speaking U.S. Major, former lawyer with General Motors Corp.; Lieut.-Col. Bowie, of General Clay’s staff, and a member of Mr. Murphy’s staff...

“Generally speaking, they took the attitude that to apply the really tough mandatory law was being too tough with Germany ... They misrepresented the U.S. position to other powers

and attempted to change the Soviet position of support for the mandatory law. They specifically went to them and indicated: We didn't really mean it when we referred to our support for the mandatory law ... In addition they created confusion. There were incorrect minutes written ... these same forces attempted to get Washington to relax the policy by expressing excessive defeatism, telling them it was impossible to get a tough law and trying to get them to give permission for a weaker position."

The position, then, at the end of 1945 was that the British stood out alone against the law banning cartels and trusts, but highly-placed American officials had lent strongest support to the British. This was the position throughout the next 12 months, carefully concealed from the press. Then the British began to develop a diabolically clever line, one sure to bring about a "volte-face" in Washington.

"What's going to happen to these enterprises if you do decartelise them?" the British began asking. "Of course," they added, "in our zone we will socialise them." And the very mention of socialisation sent cold shivers up any good free-enterprise American back. It was a piece of beautifully calculated blackmail. General Clay had anticipated something like this, but not quite in that form. The British government probably did have the intention at one time to socialise part of German heavy industry. In fact, Mr. Bevin had made some very emphatic statements about it, but his men on the spot had no intention of allowing anything like that to happen. The merest mention of the word, however, was enough to make Washington scurry away from putting the final pressure on Britain, at governmental level, to agree to a tough decartelisation project.

### **Private Enterprise in death demands its dividends**

Discussions from which, of course, the Russians were excluded, took place to discuss the future of industries once they were broken up. The Americans said they should be put up in small lots and auctioned. The British said they should be socialised. There was the question of compensation for foreign investors – mainly British and American. Their profits had piled up since the Nazis blocked the export of foreign capital in 1933. Much of it had been re-invested in the industries which poured out the tanks and planes, the big guns and submarines,

the secret weapons and gas chambers which destroyed millions of Allied lives. One would have thought that foreign investors, having put their money into an enterprise which had gone bankrupt, would not have the nerve to press their claims. But in the Economics Divisions of both American and British military government another view was taken.

One could not trample on the rights of private enterprise and break up vast industrial concerns in which foreign money was invested, without making adequate provision for compensation. Some firms with large amounts of foreign capital were even allowed to draw from their frozen bank-accounts part of their accumulated profits to start rebuilding and re-equipping their plants. The Singer Sewing Machine Company was an early example of this.

The main battle for the German trusts was won. Actually a law on decartelisation was passed for the British and American Zones on February 12, 1947, after Bizonia had been set up. This law, passed more than a year before the alleged crisis when Marshal Sokolovsky withdrew from the Control Council meeting on March 20, 1948, was a typical example of the legislation passed for the two zones behind the back of the Control Council.

The date on which the law was published is important in view of the findings of the Ferguson Commission of enquiry in 1949 – dealt with later in this book – that the law was so complicated that it would take at least two years before it could be implemented. The two years would take General Clay beyond the U.S. elections in November, 1948, when it was certain there would be a change of government in the U.S.A., with a softer attitude on decartelisation. Negotiations were actually in progress between industrialists and republicans on the eve of the elections to “drastically” revise even the modest provisions of the Anglo-American decartelisation law.

Law 56 in the U.S. Zone and Ordinance 78 in the British Zone were almost identical. They start off with a pompous phrase providing for the “prohibition and elimination of restrictive and monopolistic enterprises.” Enterprises employing more than 10,000 people were to be examined as “*primae facie*” cases of excessive concentrations, and could be dealt with at the discretion of the military governors.

The precise application of the western version of “trust-busting” is dealt with in the chapter which follows.

Having won a breathing spell in the matter of decartelisation, the Control Council wreckers concentrated their activities on the next task of salvaging as much as possible of foreign profits and getting them defrozen for re-investment in the German heavy industry, whose future they had now assured.

### **Why Four-Power control was ended and Germany divided**

To carry out this plan, Germany had to be split in two. Russia must be kept away from the conference tables. Potsdam must be thrown overboard once and for all and the decks cleared for Big Business to have a clear field. The preliminary moves were made almost before Allied blood had dried in German fields, and their results were apparent in the first few months of the Control Council’s activities.

In his evidence on the disposal of Germany’s external assets, before the same Kilgore Committee, Mr. Nixon brings to light some of the behind the scenes skulduggery aimed at ending four-power unity. Treachery is an ugly word, but it seems the only one to apply to the intrigues between Britain and America towards the end of 1945, to ensure that Russia should have no voice in prying out the secrets of German investments in Spain, Switzerland, Sweden and South America.

Marshals Zhukov and Montgomery, Generals Eisenhower and Koenig, signed an Allied Control Council Law, No. 5, on October 30, 1945, setting up a German external property commission composed of representatives of each of the Allied powers. This commission should take over all German property outside the country. Nixon was appointed U.S. representative. He prepared a memorandum to General Clay, setting out his ideas for an immediate four-power approach to the neutral countries for recognition and enforcement of the Commission’s powers.

“It was necessary,” stated Nixon in his evidence, “that a strong and immediate unified approach be made in order to prevent further dissipation of German assets and to overcome the resistance of the neutrals to giving up German assets which legally and morally belong to the Allies.

“However, the idea of a strong four-powered approach was soon discarded by a cable from the State Department to the Division of Investigation of Cartels and External Assets (D.I.C.E.A.) immediately following the first meeting of the German External Property Commission on November 27, 1945. This cable directed that the United States representative make the following proposal to the Control Council:

“(1) The G.E.P.C. should be organised into two separate operating units. In the one unit, the Soviet Union would be the sole voting member and the other three powers would act as observers. This unit would deal with Germany’s external assets in Bulgaria, Hungary Rumania, Finland and Eastern Austria. In the second unit the voting members would be the United States, France, and Great Britain, with the U.S.S.R. represented as an observer. This unit would take care of the German assets in all other countries.

“(2) It was requested that the Control Council and the G.E.P.C. should agree to exempt all the Latin-American republics from coverage of the vesting decree ‘upon representations from the United States member that these countries have satisfactorily carried out their replacement and reparations program’.”

Nixon reacted sharply to this, and protested that it would undermine the only effective basis for action on a four-power basis and would put the United States in the position of having initiated the first break in four-power unity. The Soviet representative, Mr. Denisov, meanwhile made it clear that the Soviet Union was interested in the application of Law 5 in all countries, and knew of no agreement under which the Soviet Union had renounced its interest in the full implementation of the Law.

The three Western powers meanwhile had meetings behind the backs of the Russians to work out a policy tender enough not to offend Switzerland and the other neutral countries where the Nazis had salted away most of their assets to finance a future war.

Nixon summarises the Western policy in a specific charge that “The United States State Department together with the British and French Foreign Offices have manoeuvred to split the Quadripartite German External Property Commission into

eastern and western units and are proceeding to crystallise this split among the four powers in regard to the external assets problem.

“This unwarranted action in my judgement stems from the concern on the part of certain influential and apparently dominating influences in these offices to avoid having the Soviet Union, through genuine quadripartite actions, involved in the external assets question in countries such as Spain, Portugal, Switzerland and Argentina ... We are applying ineffectually a ‘would you be so kind’ approach in the drive for the camouflaged assets of the Germans in such Fascist countries as Spain, Portugal and Argentina.”

The British were even more concerned than the U.S. State Department to keep the Russians from prying into German assets. They felt the original State Department memo did not go far enough. A week after the U.S. memo, the British cabled that the United States and France “would presumably agree” in the Washington discussions that nothing should be said which “might conceivably lead to a Russian claim to have a say in this particular matter.”

One must remember that this first attempt to split the Control Council was taking place only four months after the end of the war, long before there was any talk of bi-zonal fusion or breakdown of four-power machinery.

To be sure there was much dust-throwing going on in the Western press at the time about the “merciless” Russian policy of stripping Eastern Germany “bare” of its industry. Whenever the Western powers were putting over some particularly disreputable piece of chicanery, they whipped up an anti-Soviet propaganda campaign to divert attention.

In a teletype conference between General Clay and Nixon on the one hand and Washington on the other, the State Department explained that their desire to avoid four-power operation of Law 5 was due to “the strong feeling in the State Department that complete quadripartite operation of Law 5 in such countries as Spain might breed conflicts with respect to foreign policy which it is strongly desired to avoid.”

Nixon continues, “The French state their position is to prevent the Soviet Union from ‘having an eye into’ certain situations such as Spain and Switzerland. The British most blatantly

assert their overwhelming concern to avoid joint operation with the Soviet Union in the neutral countries. This unwarranted and diligent effort to disunify the four powers leads to a profound suspicion that it is being sought by at least some forces in the U.S. State Department and in the British and French Foreign offices who are sympathetic to the creation of a Western block versus the East.” And this, mark you, still in 1945.

### **Nazi assets safe in the hands of friends**

Behind the high moral reasons for setting Western Germany “on its feet,” giving “liberty, freedom and real democracy” to the Western Germans, one begins to see the real reasons for excluding Russia from any voice in affairs west of the Elbe. That Russian voice might denounce the intrigues of the agents of international finance, the men who manage the trusts and cartels, and who guard the financial reserves of the Nazis.

Nixon puts his finger on the very heart and soul of this anxiety to shield the Western world from Russian influence when he says: “Furthermore, I charge elements in the United States, British and French Foreign Offices with consciously manoeuvring to prevent all four powers from being involved in the search for external assets in the neutral countries because that would lay bare the Fascist or reactionary regimes in such countries as Spain, Portugal, Switzerland, Sweden and Argentina, and would reveal all the elements of collaboration of certain interests in the Allied countries with these regimes. Such genuine quadripartite action would completely upset the apple-cart for plans of compromise regarding Germany’s external assets in the interests of trade and commercial advantages and in the interest of avoiding the creation of too radical regimes in the future.”

The results of the weak-kneed, cap-in-hand, gentlemanly approach to the neutrals, of course, amounted to nothing. The Swiss shrugged their shoulders but allowed the Western allies to touch neither German State property nor any other assets. In Sweden subsidiaries of German enterprises were allowed to continue operating and pile up funds which could later be made available to the mother-firms.

It was well known that the Nazis had salted away vast sums of gold in Switzerland. A few weeks before the end of the war, a German mission to Switzerland, headed by Emil Puhl, vice-president of the Deutsche Reichsbank, was sent to arrange for the salting away of German assets, including gold looted from the occupied countries. Puhl's correspondence with war-criminal Walther Funk, Nazi Minister of Economics, showed clearly the collaboration between the German Reichsbank, Swiss bankers and Swiss government officials. Copies of this correspondence were in the hands of the Western Allies. But the guilt of the Swiss government in helping the Nazis to bury their loot – until they had a chance to use it again – must be hidden at all costs from the Soviet Union and world public opinion.

A few extracts from Puhl's last letters to Funk tell all that is necessary in this respect.

"At my insistence we negotiated until yesterday afternoon," writes Puhl on March 30, 1945. "I might say that the Swiss did not lack in paying me personal attentions, such as arranging a large breakfast in my honour yesterday. Of course this fact became immediately known to our enemies. It is remarkable further that Swiss bankers and industrialists again and again called on me despite the fact that the enemy observed everything."

In his final letter, dated April 6, just one month before the German capitulation, Puhl sums up the results of his visit – with justifiable self-satisfaction.

"In the gold question," he writes, "the National Bank has kept its independence, which is a good thing. I succeeded in concluding a gold deal transaction involving about three tons, in spite of the fact that this is certainly very disagreeable to our opponents ... The results of my drawn-out endeavours can be summarised in stating that it is quite a considerable achievement, which is thought to be impossible by many sides, that under the present general political and military conditions, we have come to a written agreement with a Swiss institution (Swiss National Bank – Author). Herein lies the significance going far beyond the various regulations. It has become possible to avoid a breakdown of the thin thread of German-Swiss economic relations ... Every day, I could say almost every hour, I was able to convince myself of how many Swiss connections

exist which will not stop now after it has been possible to find a basis for the continuation of certain payments ... The fact that President Weber (President of Swiss National Bank – Author) repeatedly and strongly advised me to continue my endeavours made a forceful impression. He pointed out that under the present-day conditions an agreement between the National Bank and the Reichsbank would be of far-reaching importance beyond the present day ... Whatever form events will take, such connections will always exist between our countries, and the fact that there exists a contract agreement may be of considerable importance for the future ... In the last analysis I have found much understanding from the Swiss side. The personal relations are now as before of greatest cordiality, and are playing a decisive role in all negotiations ... It is pleasing to note again and again in all these events how strong the cultural ties are that connect our two countries, even if the political opinion of the broad masses is not in our favour to-day.

“For my return trip, the organisation of which is not quite simple, the Swiss Government has obligingly put two seats in their own courier automobile at my disposal.”

It was not only a handful of Swiss Nazis, but leading Swiss bankers, industrialists and government officials, who were helpful in salting away German loot in the very last days of the war. It was not surprising, therefore, that the Western powers – always tender where international finance is concerned – wanted to keep the Soviet Union out of these matters, and to shelter from public opinion the intrigues of Swiss bankers.

### **Senator Kilgore learns the truth**

By his questioning of witness Nixon, Chairman Senator Harry Kilgore painted in black and white a clear picture of the results of this first split in four-power administration in Germany.

**Chairman:** “As it now stands we still don’t have Law 5 implemented?”

**Nixon:** “That is right, sir.”

**Chairman:** “We are still holding one member of the quadripartite agreement at arm’s length in certain sections and putting him in control in others?”

**Nixon:** “That is right.”

**Chairman:** “So the criticism levelled at Russia’s action in certain sections is caused by this action here in which she is put in charge of sections with merely observers from the other three nations; is that right?”

**Nixon:** “I would say that contributes to it ... Again as recently as at the end of January (1946) the British came in to the German External Property Commission and made the proposal to split the commission which the State Department had originally urged that we make. Curiously enough, the first proposal to this effect was made by the British and they asked that they have U.S. support. Instead of that, the State Department evidently decided to carry the ball itself, and gave us instructions to make the split.”

**Chairman:** “In effect the whole theory of United Nations is starting to split into two grand subdivisions, Russians and Middle Europe; and the United States, England, France and the rest of the world. In other words, if we exclude Russia as an observer, they have the right to exclude the United States, England and France as observers under this theory that has been approved and then what we have again is a question of balance of power which might lead to another war.”

**Nixon:** “The point is this: we fought the war on a united basis. In one sense, a very important sense, this is still an aspect of fighting the war. We are trying to disarm Germany’s hidden assets. Our top representatives, General Eisenhower and General Clay, for example, felt that we had to do this on a four-power basis, that we had more power if the four of us were united and going in together for these assets ... This operation is now being undermined on a three-power basis by secret cables, by an exchange of plans and schemes to put it on a three-power basis and to exclude the genuine four-power operation.”

**Chairman:** “No. I disagree with you on that. Isn’t it in the furtherance of that policy which was quite prevalent in Europe immediately after V.E. Day that England and France and the United States would line up against Russia ... ?”

**Nixon:** “Of course it was.”

**Chairman:** “That is all one heard, that they must get together. Isn’t that the dividing line, immediately set up in that

division of external assets? That is the first division that you get into. The other steps follow on naturally."

**Nixon:** "This unwarranted and diligent effort to disunify the four powers leads to a profound suspicion that it is being sought by at least some forces in the United States State Department and in the British and French Foreign Offices who are sympathetic to the creation of a Western bloc versus the East."

**Chairman:** "The thing that worries me about this is that you started this on a four-power basis and it looks to me as if this is the first step to divide it into two opposing camps."

**Nixon:** "I don't know whether it is the first step. It certainly is a step."

**Chairman:** "It is a step in that direction."

**Nixon:** "Yes, sir."

**Chairman:** "Which disunites the United Nations."

**Nixon:** "That is my judgement,"

**Chairman:** "It would make the United Nations an impotent organisation."

**Nixon:** "It is in that direction; yes, sir."

If Chairman Kilgore seems to have laboured the point in this investigation about the results of splitting the External Assets organisation, he should at least get full marks for his foresight in judging the trend of events from this one incident. His predictions were one hundred per cent. correct. He has got on the record for all to see (who care to look up these reports in Washington) the genesis of the split in Germany and the disruption within the United Nations as early as 1945.

There were scores of General Drapers and Sir Percy Mills scattered in strategic posts throughout the British and American control commissions. If the disruptive activities were not originated in Washington and London, their every action and interest lay in splitting the Allies and preserving German heavy industry intact as a safe field for international investment and a strategic reserve in a future war against the Soviet Union.

Some day the minutes of Control Council and other four-power meetings will be published, and a shocked world will see how lightly and cynically the hopes for unity and co-operation were destroyed by the industrialists and bankers who were made the guardians of our post-war hopes.

## **A Socialist British Government betrays the electors**

For a socialist English government to place a Birmingham industrialist in charge of a key division to co-operate with the Russians to destroy German trusts, root out their buried gold and carry through the socialisation of key industries in many of which good Birmingham capital was involved – this was a gross betrayal of the British electors. Sir Percy Mills went back to England to become Chairman of the Birmingham Chamber of Commerce.

Sir Percy was succeeded by Sir Cecil Weir, former president of the Glasgow Chamber of Commerce, director of Schroeder, Weir and Co., a firm of Glasgow shipbuilders. He followed faithfully in the paths laid down by his predecessor.

The Dillon Read team of Forrestal and Draper was later removed from influencing German affairs, when Forrestal, as Secretary for Defence, went mad and committed suicide, and his assistant Draper went back to work for his firm in its own offices, instead of acting as its agent in the U.S. War Department.

Forrestal was replaced by Mr. Louis Johnson, who also has interesting commercial ties with Germany. At the time he was appointed Defence Secretary in 1949, Johnson held two directorships in I. G. Farben subsidiaries in the United States, as well as a directorship in the Consolidated Vultee Aircraft company. Vultee produced the billion-dollar B.36 super-bomber, designed to deliver atom bombs to Russia from any point in the world. Johnson, in other words, had a direct financial interest in the preservation of the German trusts and a direct financial interest in World War III.

A glance at Johnson's record shows he did well enough out of World War II. Johnson was involved with the J. Henry Schroeder Banking Corp., the international banking firm which helped finance German heavy industry, particularly the steel industry and I. G. Farben, in the 1920s. The London branch of Schroeders bought into American aviation companies in 1937, through a U.S. finance broker, Henry Emanuel. For some time the Aviation Corp., in which Schroeders

invested, showed no dividends, and the London office became impatient.

In 1939, according to correspondence since published, the New York branch of Schroeders sent a comforting report to London, as follows:

“I certainly hope that they (Henry Emanuel – Author) have as good an ‘in’ with Assistant Secretary of War Johnson as they seem to have, because if they do, he will certainly find a means of giving them some share of the armament orders ...”

Emanuel had a good “in” with Johnson, apparently, because the orders soon began to pile up. Vultee, one of the subsidiaries of Aviation Corp., netted eighteen million pounds worth of contracts within 18 months of the New York report to London. The Vultee plant payroll jumped by 600 per cent. in 1940 alone. When Johnson left the War Department in 1943, Emanuel appointed him as director of Consolidated Vultee and helped him to two more directorates in General Aniline and Film and a sister company, both subsidiaries of Germany’s I. G. Farben. A few months after he left the War Department, Johnson in his new job at Consolidated Vultee received the first orders for the billion-dollar B.36 from his replacement at the War Department, Patterson. Patterson later had to face a Congressional Committee called to enquire into the scandalous waste of money in building the B.36. He admitted to irregularities and violations of procedures in placing the contract with Consolidated. Patterson was well rewarded, however, by a directorship in the New York branch of Henry Schroeder and Co.’s banking house when he too left the War Department.

Back at the Defence Department again, Johnson now has almost unlimited powers in spending U.S. public moneys, allotting munitions contracts.

It only remains to add that the British economic adviser, Sir Cecil Weir, is a partner and director of Schroeder and Weir’s Glasgow Shipbuilding Co., an affiliate of the Schroeder banking house, which represents German governmental and heavy industry interests in London, to complete the alliance between British, American and German capitalism – an alliance with its agents in key posts in Washington, London, and Berlin. Allen, brother of John Foster Dulles, is also the legal adviser and a director of the New York branch of Schroeder and Co. With

John Foster Dulles scheduled to take over as Secretary of State after the expected defeat of the Truman administration, the alliance would continue its activities, to save the German trusts, no matter what administration was in power.

### **Garrulous warmongers**

Fortunately for the record, American officials are in the habit of talking much more freely than their British opposite numbers. Much that used to lie within the realms of “secret diplomacy” has come out into the open since the American amateurs have taken to running affairs in Europe. There was a lunatic fringe in both British and American headquarters in Berlin which hoped that the new war would be provoked any day. The British in general kept quiet about their plans, but not so the Americans. After the first couple of martini cocktails, they talked openly – and sometimes in front of German politicians, whom they hoped to impress or correspondents whom they hoped to win over to their side. That wasn’t very wise.

The Germans made the mistake of thinking that this sabre-rattling came straight from the White House; that it was a reflection of American public opinion; that soon their estates, factories, lost jobs and lost territories – not to mention their uniforms – would be restored to them by force of arms. And the correspondents – they sometimes made notes for future reference.

Mr. Richard (Dick) Scammon was one of those who believed in taking everybody into his confidence about the plans of the U.S. War Department – at that time managed by the unfortunate Forrestal, who was soon to lose his reason. Scammon was in charge of Political Parties in the Civil Affairs Administration (approximately Ministry of the Interior) of American Military Government. I have had many conversations with him, sometimes socially, sometimes in his office. The most memorable discussion was at a luncheon attended by Mr. Joseph Alsop, columnist of the New York Herald Tribune, a chief of Administration in the Soviet Zone (since fired) and several other prominent German politicians.

Mr. Alsop was full of strength through joy of the U.S. monopoly of the atom-bomb that day, and predicted cheerfully that Russia would be knocked out in a very short time in the

coming war – it was late 1947. I was silenced with the hors d'oeuvres – as the only Britisher present – for offering the view that the English people did not want to get involved in another war for the sake of Germany or Berlin; for suggesting that however much the English liked their American cousins, they did not fancy the idea of an American occupation of England – or the conception of England as a “static aircraft carrier” with the English people having no more independence than natives on the island of Guam. I felt I could even voice the opinion of some British Conservatives that Hitler had promised to destroy Bolshevism in Russia and instead had brought it half-way across Europe, and that American threats to drive it back from the Elbe made honest capitalists shudder lest they should bring Bolshevism to the English channel, if not further.

I was asked with some fierceness if the English had turned “yellow,” if England, was preparing another “Munich.” While I meekly dealt with my soup, Mr. Scammon and Mr. Alsop mapped out the grand strategy, brushing countries and populations aside with a flick of the serviette as if they were crumbs.

“How can the Russians move across Europe when they think of warfare in Napoleonic concepts, with horse and cart transport and logistics reckoned in terms of hay for their horses?” asked pundit Alsop with bitter scorn. “Anyway, we don’t have to worry too much about how the Russians spread themselves over the land-mass of Europe. We have been through all this with the Japanese. There were some pessimists who felt we would be fighting the Japanese for generations, just because they were spread all over Asia. But my point of view – the view that Washington eventually adopted, too – was that you hit them in the home base, right on the island itself. Hit them in the head, stab them in the heart. The limbs and roots will die of their own accord. That’s what we did with Japan. And it worked. That’s what we do with Russia. Drop that bomb on their big cities and how long will they last? What’s the good of their armies in France, Italy or anywhere else in Europe, once their production and nerve centres are knocked out?”

I ventured to suggest that Japan had already been beaten in the Pacific when the bomb was dropped; that the Soviet Army immediately smashed Japan’s elite Kwantung Army in Manchuria; that her industry was conveniently concentrated in

a few-score miles, which laid her wide open to bombing of any sort; and that as far as Russia's Napoleonic concepts went, the Soviet Army made Hitler's "blitzkrieg" look like snail's progress when they moved more men across Europe than America even sent abroad in World War II. However, I was demolished along with the Soviet Union's armies, and Messrs. Alsop and Scammon continued to lay down the larger, global strategies. Scammon, who was often a mouthpiece of Military Government, was the U.S. official in closest touch with German political leaders, so there is no doubt they were kept informed of his views.

"The hell of it is," complained Scammon, "that the State Department is always six months behind us. They have only just now accepted our demand to set up a separate West German state. We have been all set to go on that for more than six months. They keep holding us back on the most stupid technicalities. Now they've accepted the idea of a separate state, of course, we're ready to go ahead with the Peace Statute."

This discussion took place a few weeks before the decisive Council of Foreign Ministers meeting in London, late November, 1947. Mr. Marshall torpedoed the meeting so that the plans for the separate state could be rushed through without further delay.

"With the Peace Statute signed," continued Scammon, "we can make Germany an ally. We'll have a seventeenth nation in the Marshall plan with its heavy industry and 44 million more people on our side." (The French were still chary of throwing their zone into Bizonia at that time – Author.) "But the State Department's holding us up. We're losing precious time. We should be all set to go in another few months."

"You mean by the time the State Department has accepted the idea of a separate Peace Treaty, you will be all set to ... ?" and I didn't even finish the sentence.

"Well, of course, we'll be ready to go." Scammon, who is an enormous man with a boyish, rosy, fat face, smiled at me as one dealing with a child. "I should say we'll be ready to go. As a matter of fact, one of my last jobs has been drawing up a paper on our occupation policy for the Soviet Union." And the self-fancied future Gauleiter Scammon went on to discuss seriously how the collective farms and industrial complexes would be handled. On the whole, he thought the farms could be left

pretty well alone. It was the most economical way of farming, after all, in accordance with modern American methods. But industry? It would have to be – of all words – decartelised.

One could just see Standard Oil, General Motors, Bethlehem Steel, following the Scammons as Krupps and I. G. Farben had followed the armies of Hitler, their appetites whetted by the schemes of somebody in the War Department whose directives Scammon was following. It seems there was more than one certifiable lunatic like Forrestal there at that time. If all this seems fantastic and was fantastic, it is a reflection of something that was real and dangerous. Scammon is a great bullying playboy, in charge of German political parties, an egomaniac who fancied himself as a prime political and military strategist. But the views he was expressing were not his own. They were the views, too, which were being handed down to German politicians to encourage them in their arrogance towards the Russians. Herr Stadtrat Reuter was there that day, drinking in the Scammon poison and already seeing himself re-installed as Gauleiter of the Volga Germans. A discredited Christian-Democrat leader was also there. Small wonder that the German puppet politicians shouted their insults and threats to the Russians.

On another occasion, in the presence of a shocked, senior British official, Scammon expressed himself on the manpower necessary to beat the Russians. "Of course, we'll have to mobilise the Germans," he said. "We have the nucleus of a very good army in the industrial police in our zone. Best foot-soldiers in the world." Those were not the sort of things to discuss before a newspaper correspondent – as the scandalised British official knew very well.

Mr. Scammon believed very firmly in the "preventive war." "I will be in Switzerland myself," he said, and when the future Mayor of Berlin, Reuter, said he hoped a place would be found for him "on the last train out of Berlin," Scammon grinned and said, "Maybe, even in the second last train." After the events in Czechoslovakia in February, 1948, Scammon was chosen by U.S. military government to broadcast to the Czechs to buoy up the hopes of the dispossessed and opposition. He begged them to "hold on a little longer." The hour of "liberation" from the "Red Nazis" was at hand, he promised.

Mr. Scammon's views were not a result of his own peculiar mental and political outlook. They were an extreme and energetic but faithful reflection of the views of many of his superiors.

In December, 1948, together with my colleagues Leo Murray of the Manchester Guardian, and Peter Sturzberg of the London Daily Herald, I interviewed some members of the Armed Services Committee of the United States Congress. They arrived in Berlin as part of a protracted European tour. The chief of the Committee, Congressman Short, a Republican, had distinguished himself in Frankfurt by telling correspondents that his solution for the blockade of Berlin would be to send a couple of squadrons of B.29's loaded with atom bombs and drop them on the Russians to make them "see reason." This sort of talk was known as "pepping up the morale of the Germans."

We missed Congressman Short but managed to see two of the committee, Congressman Bridges and Congressman Paul W. Shafer, of Michigan. We buttonholed them as they were going into dinner at Hanag House, the hotel where Very Important Visitors were accommodated in the U.S. sector of Berlin.

"Well, gentlemen," said Mr. Bridges after introductions had been made and he had satisfied himself that we all worked for respectable newspapers, "I don't know that there's very much we can tell you, but shoot away."

It so happened that at that time there was a great gathering of official bigwigs at U.S. headquarters. It had doubtless been planned some weeks ahead and was meant to have finalised plans for the Republican-led "quick war" which was to have materialised in the summer of 1949. There was General Bedell-Smith, Ambassador to the Soviet Union, who had just arrived from Moscow; Secretary of the Army Royall, from Washington; Secretary for Air Symington, and Clay, both of whom had recently arrived from Washington. The Committee had stopped off in Paris and in Frankfurt. We asked Mr. Bridges if he had seen the generals and "big shots" and what were his impressions.

"There's gotta be a showdown with these Russians," he said, "and we're ready to go right now. Yes, sir, there's no doubt

about it. The longer we wait, the worse things'll get for us. I don't mind telling you boys that we were mighty worried when we left the States, but after what we've seen and heard over here, we're not worried any more. We're ready to go just as soon as they like."

"Did Ambassador Bedell-Smith think the Russians are getting ready to move?"

"Well, I wouldn't want to say that. No, sir, he didn't give that impression, but he thinks there's gotta be a showdown all right. And better to have it when we're ready to go, not when they are."

"But who's going to do the fighting? Where are you going to get your ground troops from?"

"We're not too worried about that, not after what we've seen down in the Zone."

"You mean, arm the Germans? You think you can whip the Germans up into an army again?"

Congressman Shafer winked roguishly at his companion. "Now, I don't think we want to say anything about that, do we?" And he answered his own query. "No, sir, I wouldn't want to tell you anything about that. Of course, you may be sure that's one of the problems we've discussed out here. When we get back to the States we'll draft a report and make certain recommendations to Congress, but I wouldn't want to say what those recommendations would be."

"General Halder, the former Chief of Staff of the German Army, recently made a statement that he was in touch with former officers, and could get an army together in no time. Do you think that's correct?"

"Why, certainly. No problem at all. They've got the raw material down there all right. But that's not the important thing right, now. First we've got to get German industry going full blast, and it's well on its way in that direction now."

"The French have expressed some fears about this revival of German industry; about building up a strong Germany as a base for war. Even General de Gaulle made a pretty strong speech about that a few days ago. He said very plainly that France didn't want a strong Germany. Did you have a chance to go into that aspect while you were in Paris? Won't you have

to count fairly heavily on France if this 'showdown' comes about?"

(De Gaulle made his speech out of chagrin over the results of the U.S. Presidential elections. There seems little doubt that John Foster Dulles, a great admirer and friend of de Gaulle, promised the latter that, in his role of Secretary of State in the new Republican Congress, he would see to it that Germany industry was trimmed back. Dulles was in favour of transferring much of it to France, even to Spain. Correspondents were specially sent to Germany to gather material about the vulnerability of German industry in case of war with the Russians. Long, inspired articles about this began appearing in the Republican press, suggesting that the industrial base for World War III be shifted further west, if possible behind the Pyrenees. It was good propaganda to bring Franco officially back into the fold again, and of course it would have been a trump card for de Gaulle, who Dulles was confident would soon take over in France.)

At this last question the roguish look came back into the face of the Deputy Chief of the Armed Services Committee – a look which said: "If only I could tell you poor dopes what's actually going on!"

"You boys," he said, "can be sure we've taken all that into consideration. The French are being very awkward, that I won't deny. But we figure we can do the job without them. Let them stay out of it. As long as they stay neutral. That's all we ask. Then they can stay right out of it as far as we're concerned. Won't make a bit of difference. At the moment they're making things awkward by saying 'No.' Just let them stay neutral. Don't let them come in with us and not against us. Just stay quiet and we'll do the job all right."

It was a front-page story in the French press next day, as the Armed Services Committee were blithely continuing their trip to Rome, to see what contribution the former Fascist armies were prepared to make. There was a mild uproar in the French parliament, but the whole thing was dismissed as the ravings of a garrulous team of Congressmen, talking out of turn. And so they were. One could have dismissed the whole thing as a product of their war-fevered imaginations, had it not been that they were speaking to us just after they had been in

conference with top executives of the U.S. Armed Forces, with the C.I.C. Germany and the U.S. Ambassador to Moscow. The views they were expressing could only have been the reflection of the Royalls, Symingtons and Clays.

The congressmen had left the United States before the elections. They were sure of a Republican victory; Republicans were even in a majority on the seven-man committee. They were counting on big business and the generals being even more firmly in the saddle than under Truman. They had not at all reckoned on the electors expressing their will for peace, and returning the less belligerent of the two parties to power. But if leading congressmen barked like that when they came to Germany, one could understand the pro-war, anti-Russian yelpings of the West German politicians.

I tested out the committee members' views on a French acquaintance of mine who occupied a very high position in the French administration in Germany. He confirmed that the French were asked for a straight "yes" or "no" as to whether or not they would fight for Berlin. He said the French answer was a very definite "no," and after the French reply there were equally decided "noes" from the Benelux countries. The British reply was a "Yes" with some qualifications.

(This took place in the days when General Clay was floating his proposal to send an armed task force up the Helmstedt road to "bust its way through the Soviet Zone and the blockade to Berlin." This would have meant at least a shooting incident, if not something graver, with the Western Allies clearly the aggressors. The British were not prepared to support such a project with one armoured division in Germany, which could not have landed one tank in Berlin if the Russians decided to defend their zone only with tank-traps and land-mines. General Clay, according to American reports, was recalled to Washington and reprimanded for his proposal.)

The reasoning which prompted such projects, as explained to me time and again in early 1949 by incautious American officials, was something like this:

"There has got to be a showdown with the Russians. Why let them pick the time and place? Much better that we decide that. We can't just say we're going to start a war and run it that way, because Congress won't let us and Congress has to

approve an act of war. In any case we can't get the other countries in Western Europe to come in on a straight-out preventive war. The last Paris session of the United Nations showed how nervous and scared they all are. But we reckon if we get the thing started, no one will be able to back down. If a shooting war starts right here in Berlin, Congress will have to back us up, and once we get stuck into it, the countries of Western Europe will have to get in too – if only to defend themselves. Are we ready for a war? Hell, that's not the point. The important thing is to get it started. The Air Force, 15 German divisions, and the atom-bomb can carry the ball long enough for us to get ready. We didn't get ready last time till we had Pearl Harbour to give us a kick-off – we're gonna need the same thing this time. That's the reason we mustn't fall for any Russian tricks or compromises that might look like liquidating this Berlin situation."

If one pointed out that there were no signs of Russian preparations for a "show down," no mobilising of troops, no troop-movements in Eastern Europe, no building of airfields, and above all no psychological preparation in the Russian press, absolutely no war propaganda, the reply was: "All the more reason to hit them now, while they're unprepared. Why wait until they are ready? Catch them with their pants down, like we were caught in Pearl Harbour."

I know there are many Americans who believe that the war hysteria of 1948 and 1949 was built up artificially in the United States to increase the allotments of the various branches of the armed services, and not with any real intention of going to war. But the intentions were real enough in Berlin.

The Berlin planners, with strong supporters in Washington, had it calculated very neatly that the shooting war would start in June or July, 1949. The enthusiasm died away after the Republican defeat in the elections, and, one by one, the more rabid of the war enthusiasts were removed from office. It would not have been beyond the imagination and scruples of some of the lunatic fringe of war enthusiasts to have rigged an incident, to have had an air-lift plane or two shot down and blame the Russians. There were enough unemployed former Luftwaffe pilots, or even White Russians, to take up a reconstructed

Russian Yak and create a Sarajevo in the Air Corridor to Berlin. I know that such projects were discussed.

Fortunately for the world at large, the Russians kept steady nerves during the crisis period and the months of the air-lift. They kept within their rights, but did not respond to provocations which might easily have started the "hot war." They warned British and American planes they would be forced down if they strayed away from the Air Corridor across the Soviet Zone, but otherwise they did not interfere.

At one period, the Russians listed a number of flights by military planes, including jet-fighters, over large areas of the Soviet Zone, from the Baltic Sea to the Czech border. They gave the times of the flights and, where they existed, plane-markings and numbers. They issued a warning that planes in these areas in future would be forced down by Soviet air-patrols. The British hastily said: "These are not our plane-markings. In any case, our pilots are good navigators and would not stray so far afield."

The unauthorised flights ceased, however, as from the day of the Russian warning.

## **Part 3**

### **A return to the Soviet Zone**

In early June, 1947, in the company of Denis Weaver of the News-Chronicle and Eric Bourne of Reuters, I paid a visit to Mecklenberg and Pomerania. The prime object of our trip was to see Peenemunde, the research station for German secret weapons and the testing ground for the V1s and V2s. For me, however, the greatest attraction of the trip was to study again Soviet agricultural methods at close hand.

The Peenemunde story itself, however, is worth recounting again. There were almost daily references at that time in the British and American press to Peenemunde, references that were, of course, splashed in the western, German press. There were stories from Sweden of streaks of fire searing the sky at night, of mysterious explosions, rockets skimming across the skies and coasts of Sweden. Science correspondents from several London papers even went to Stockholm to investigate reports of parts of rockets landing in Sweden.

The Berlin Social-Democrat press filled in the local details. Dull explosions from Peenemunde, flashes of fire, pillars of smoke. The Russians had certainly rebuilt Peenemunde and were building and testing out even more deadly types of V weapons than those used by the Nazis. We asked the Russians if we could have a look at Peenemunde and they said, "Sure, come along." On our way to the tiny Baltic isle, we called in at Karinhall, the famous roistering place of Goering where he entertained his guests to deer-stalking and pig-stabbing parties, followed by gargantuan, mediaeval banquets with oxen, roasted whole in front of the guests.

Lord Halifax, former British Foreign Minister, who signed for a pact with Hitler, and Sir Nevile Henderson, British Ambassador in Berlin, were entertained by Goering at Karinhall. According to the Berlin Social-Democrat press, Karinhall had been given to the veteran Communist leader, Wilhelm Pieck, and he used it for entertaining Russians and German Communists on the same scale as the former Grand Master of the Hunt, Goering.

We were the first western visitors to Karinhall since the war. This castle, which was supposed to resound at night to the red revels of Wilhelm Pieck and his colleagues, was actually a shamble of tumbled ruins. It had been completely destroyed, blown up at Goering's orders by special S.S. troops as the Soviet armies drew near. It was impossible even to force one's way through the rubble to the underground air shelter where it is said Goering had a riding-ring established for his children.

The only intact part of Karinhall was a Goering cemetery at the edge of a lovely emerald-green lake. In the centre was a crypt of Goering's first wife, Karin, a Swede, from whom Karinhall takes its name. Dominating all other tombstones in the little cemetery was an enormous rough granite slab inscribed with the single word "Goering." It was to have marked the spot where the most cynical and bloodthirsty of all the Nazi gang was to be buried. Goering's preparations for Valhalla were upset however by the Soviet Army's rapid advance through Germany. There was nothing left to bury in the Karinhall cemetery.

Goering's ashes were scattered in anonymity after he cheated the Nuremburg gallows by swallowing poison.

Before we visited Peenemunde I fell ill – of stomach poisoning. My colleagues assured me it was due to an overdose of Soviet hospitality of too much cucumber salad with fresh cream, and washed down by vodka. Whatever the course of the illness, I really experienced Soviet hospitality afterwards.

The Russian woman doctor who was called to examine me decided I must be removed immediately to the Russian military hospital. I did not want to go. My experience of hospitals was that they detain you much longer than necessary, and I was anxious to finish my tour. She was insistent, and so was I. I wanted to remain in my comfortable hotel room at Schwerin, capital of Land Mecklenburg. I won the battle, but half an hour later, the hospital moved into my hotel room – the doctor, a sister and two nurses with an array of ominous-looking rubber tubes, bowls and jugs. The rubber tube was thrust down my throat and deep into my stomach and jugs of warm water poured down the tube.

After the same procedure had been applied to other portions of my anatomy, I was transported to bed by my female echelon, as flat as a gutted eel. The lady doctor examined me

and proclaimed that with rest, and a careful diet, I would be saved to write again another day.

There was a lively debate a couple of days later between the doctor and our conducting officer, a handsome young Muscovite, George Krotkoff, from the Soviet Information Bureau. Krotkoff, with my earnest backing, said we must push on with our tour.

The doctor said: "What about his diet?" The solution was a triumph of Soviet organisation.

I was considered too weak to drive my car so a driver was provided. We left the hotel, the doctor and nurses shaking their heads at such lunacy. At each Russian Kommandatura or Intourist hotel at which we stopped to eat, there would be a whispered conversation as to which of the four of us was the invalid – and my precise diet for that meal was set before me. The doctor had telephoned through to each eating place on our tour and had ordered a specific progressive diet for each meal.

As we approached Peenemunde – the first visitors, apart from the Russians and Germans who worked there, ever to visit the island since the Germans turned it into their secret weapon station – we heard the rumble of explosions echoing through a thick belt of pine trees and we smelt the acrid odour of high explosives. There were explosions and flashes all right.

The Russians were just completing the demolition of all installations. Unhappy-looking German girls, under the eyes of tough-looking Russian non-coms, were carrying cases of explosives, as we strolled across the debris of shattered buildings.

"Hitler girls," said the Russian colonel in charge of demolitions, "they don't work willingly." Those I tried to photograph turned their heads away, frightened of reprisals from former Nazi comrades, if they were recognised as taking part in the destruction of Hitler's pride, the ace with which he was certain he could win the war.

The Soviet colonel of engineers gave full marks to the British R.A.F. for their raids on Peenemunde. "They destroyed it by seventy per cent.," he said, "but still they left us the hardest work to do. Now we are nearly finished. We have destroyed every installation above ground and most of those underground as well. There are still two underground wind testing tunnels."

The German girls were carrying explosives to one of these wind tunnels, and Russian engineer troops were preparing a section for demolition.

The colonel, obligingly, blew it up while we were there so I could take a picture.

"When these two tunnels are completely destroyed then we'll start on the foundations of the buildings. After that we'll destroy the roads and railways still left. We are keeping two big sheds until last, to house our staff, but they will go too in the end. After we've finished with the roads and railways, we'll plough up the island and turn it back to the Germans."

We walked all over the island, inspected the shells and wreckage of fantastic-looking buildings from which the Nazis shot their rockets into the stratosphere, took photographs where we wanted. After a few hours we were convinced that one more anti-Soviet propaganda canard had been shot down.

"Of Peenemunde," we could and did write, "there is nothing left but the name and rubble."

"Come back and see us at the end of June," the Russian colonel said as we left, "our target date for ploughing the fields of Peenemunde is June 30."

After our stories were published the reports of Russian rocket experiments from the Baltic Coast died overnight. The Chief of Staff of the Swedish Army told correspondents in Stockholm that there was no evidence that rockets or any other guided missiles had passed over or landed in Sweden. The Peenemunde and Karinhall legends were both exploded, but of course, the West Berlin press switched next day to writing in sinister and lurid terms about Russians working the uranium mines in Saxony.

In Schwerin, we called on a Herr Mueller, Christian Democrat, Minister of Agriculture in Land Mecklenburg. A large, burly man who wore an English golfing cap, his whole life had been devoted to agriculture. He resembled an English gentleman farmer who really took an interest in the land.

We asked Herr Mueller how the spring sowing was coming on.

"It's 92 per cent. completed," he said, "and by our target date, May 19, it will be 100 per cent. complete." We were rather astonished at such very precise figures and asked how he could

produce at a moment's notice such an unqualified statement. Herr Mueller was proud and pleased to explain to us.

"The Russians and ourselves make a fine combination," he said. "They are excellent planners and we are good organisers.

"We have learned much from them in the way of detailed planning, and they are impressed with the way we can organise to carry out a plan.

"The whole Land Mecklenburg is divided up into provinces, districts, village groups and finally villages. In each village is the agricultural committee elected by the peasants. We have a liaison officer for each group of villages, constantly in touch with the committees. Every hectare of land is known to us, every cow, horse, pig and sheep is registered with us. We have a complete registry of all agricultural equipment. We know what land is best for grain, which is best for potatoes or sugar beet.

"We help to make the overall agricultural plan on the basis of the data we have here. When we got our plan for spring sowing, it is broken down to allotments for provinces, districts, villages and finally the village committees allot to each individual farm exactly how many acres of wheat, barley or potatoes a farmer must grow.

"My job then is to see the farmers get their seeds and fertiliser in time, that sufficient implements and draught animals are available.

"This year it has worked very smoothly. My village liaison officers make up reports every evening as to how the sowing is coming on and by 2 a.m. or 3 a.m. Yes," he smiled at our surprised expressions, "we work late hours during the busy season, I can tell you exactly how much is sown and where there are difficulties. Up to this morning 92 per cent. of the total area was sown.

"It is almost like a military operation," he continued, "I have reserves of seed and fertilisers. I have mobile technical brigades and tractor pools. If I get a report from one district that the sowing is lagging because the seed potatoes have turned bad, I can rush a couple of truckloads of seed to the area. If another area is in trouble due to shortage of draught animals, I can despatch a tractor to the rescue. If there are breakdowns of tractors or seed-drills I can send one of my flying columns to

help. All this has improved the morale of the farmers to an enormous extent.

“One other great thing we have learned from the Russians is to improvise and to exploit our machinery to the greatest possible extent. Machinery that farmers had discarded long ago, they have made us organise and repair. Without this improvisation, we could never carry out our plans. And the planning itself is meticulously thorough. Everybody is given a target date for everything he has to do, and for us this is very sensible and necessary. Many of our new settlers have never been used to acting on their own responsibility before. They have been farm servants, agricultural labourers, some of them even city workers. Those who have come from other parts don’t know this type of soil and weather conditions. The great majority of the new farmers, however, have been used to doing just what their boss told them, not thinking ahead from one day’s job to the other.

“Now we have a great scientific organisation that does the strategic thinking for them. After a year or two, of course, they will learn and many things we do now will not be necessary. It may seem ridiculous to you when Marshal Sokolovsky issues a decree that by a certain date, all tractors, ploughs, harrows, seed and fertiliser drills, farm carts and other implements named, must be overhauled and greased, ready for the spring-sowing campaign. But for us, this is very important.

“For many farmers the decree is unnecessary. They are used to planning their work. But it gives our local officials the authority to make the farmers help themselves. For the time being we have to do their thinking for them, tell them what to plant and when to do it, according to the soil and weather conditions which we can judge scientifically.” Herr Mueller explained that he received his plan for Land Mecklenburg-Pomerania from the Central Administration for Agriculture in Berlin. Based on reports from the provinces the Central Administration – now Ministry of Agriculture – submitted each year a plan to the Russian Chief of Agriculture Division. The Soviet officials might make some amendments, suggest more potatoes than wheat, more maize for fattening poultry, and less beet for sugar, more hops for beer and less fodder for cattle.

“Once agreement was reached, the portion affecting each land was sent to the respective ministries of agriculture for putting into effect.

“When the crops are well advanced,” continued Minister Mueller, “we make sample checks of the yields. On the basis of that, we fix the quotas which each farmer must deliver, making allowances for local conditions, bad quality soil in one area, shortage of rain in another – and the size of the farmer’s holding. The quota system is so arranged that the main burden of deliveries falls on the wealthy farmers. We encourage the farmers to sell their surpluses through the co-operatives instead of on the free market, by allowing them to buy equipment at the co-operatives at fixed low prices according to the amount of produce they have turned in.

“And the beauty of it all is,” he concluded, “that it works, works beyond our most optimistic hopes despite, at times, seemingly insuperable difficulties. Russian planning, German organisation and hard-working German peasants. It works. We get our crops sown on time. We collect our grain quotas. The city worker gets his rations and the farmers get their consumer goods.”

We toured around among the villages, spoke to farmers and assured ourselves that it was working. Almost a year had passed since I talked with the peasants at Seusslitz, but the types – and the developments – were the same everywhere. Here in Mecklenburg, the new houses were no longer in the blue-print stage. They were there, fastened to the very soil the new settlers had been given. Small but solid brick houses, with stables attached, everything under one roof, so that animals could be tended in winter without moving out of the house. Houses with electric light and running water.

The suspicion and uncertainty which I had seen at first on the faces of the Schloss Seusslitz “Neusiedlern” had disappeared from the faces of those in Mecklenburg who now had their own homes, with brightly polished stoves and something good cooking on them. Life had started again, roots had crept back into the soil and found firm support. No use trying to talk these families into returning to their old farms east of the Oder-Neisse. Most of them had homes, better than those they had left; they were well on the road to a better and fuller life.

They made poor raw material for the propaganda with which they were bombarded by the West Berlin and West German press, demanding that the lost lands be recovered and the “expellees” returned to their old homes. The rich former land-owners from the east, formed into associations pledged to the return of East Prussia, Silesia, Sudetenland, and the rest of Germany’s lost territories, could no longer count on the new settlers in the east to fight for them. The new roots had taken too firm a hold to be shaken by irredentist propaganda.

### **Corruption of Berlin**

Berlin itself – this city for which the Western world (behind the backs of the general public, of course) was being asked to fight another world war – was, in 1949, the most demoralised, corrupt and hopeless city in Europe. At least, the Western-occupied three-quarters was. Military government officials supposed to be running the city had their hands deep into the black market.

The whole Western-occupied section was being run on a black-market basis – and this long before the blockade was imposed. The black market was fed primarily from American military stores. Black market deals involving high military government officials came to light – and were quickly covered up – every few weeks.

On one occasion a press officer on General Howley’s staff telephoned his opposite number in the British sector. He wanted a telephone installed as soon as possible in the shop of a dressmaker friend of his in the fashionable Kurfurstendamm, in the British sector. Would the British arrange the necessary priorities and have it set up “right away”? The dressmaker’s shop was one used extensively by American clientele, and it was very annoying for the American wives not to be able to arrange things by telephone.

The British officer, Mr. John Trout, replied somewhat testily that there was a great shortage of telephone equipment and it was available only for essential purposes. If the captain wanted a telephone installed he had better forward an application, giving full details, etc. The captain was very hurt at this uncooperative behaviour – especially in view of Marshall Aid,

dollar loans and the rest – but sent in an application giving full details of business turnover and other essential data.

The details were of such interest that the telephone branch turned them over to the Economic Department of British Military Government. Textiles were severely rationed in Berlin. Each dressmaker's shop or modesalon got a very limited amount each month, which was supposed to be sold only to people with coupons issued by the City Council. The turnover figures for this particular shop were about one hundred times as much as normal business would justify.

Enquiries were made on the spot, and as a result a couple of British military trucks arrived and were loaded up not only with black-market textiles, but also with a few thousand packets of American cigarettes and a few hundred pounds of American coffee. At that time it was illegal for Germans to possess any goods originating from Allied military sources.

There were furious telephone calls from Colonel Howley's office to that of the British public relations officer.

"Is that the way we're supposed to co-operate?" demanded the captain, his voice choking with anger. "You British swooping down like that and confiscating my property?"

"Your property?" demanded the urbane Mr. Trout.

"Of course, my property. I just had it stored at my friend's place for safe keeping."

"Well, there's a certain section ... just a jiffy and I'll give you the address where you can send in an application, and if you can prove the goods are yours, you can probably get them back again."

The last I heard of that particular case, the captain was still trying to get "his" goods back. They had, of course, been accumulated by his girlfriend, charging in kind for the favours she rendered her American clients.

### **Crown Jewels of the Hohenzollerns**

A typical story from the gangster section of Berlin was that of Prince Ferdinand, son of Princess Hermine, last Empress of Germany. She was the second wife of World War I figure, Kaiser Wilhelm. After Wilhelm died in exile at Doorn, in Holland, the Princess Hermine was allowed to return to Germany. She lived in retirement in Frankfurt-an-der-Oder. When the Soviet

troops arrived, they quartered some officers in her house, but she was treated with respect and allowed to live a quiet life. Her daughter, Princess Caroline, a pale, pleasant-looking blonde woman, who lived in the British sector, was allowed to visit her frequently.

The Princess Hermine owned a considerable wealth of jewels. Part were the crown jewels of the Hohenzollern family, part were from her own family. Some of them the Princess kept with her at Frankfurt, others she had sent to Berlin, entrusted to the safe-keeping of Prince Ferdinand. He kept them locked up in a trunk, but told one of his bosom friends among the Americans, a White Russian, Prince Michel Scherbanin, who worked with the American Gestapo, the Counter Intelligence Corps, or C.I.C. as it is generally known. The prince managed to persuade Ferdinand that “the Russians were on his track,” and as Ferdinand was a weak young man, with a past sufficient to give him a guilty conscience where Russians were concerned, he believed the report, and was persuaded to move from his flat into Prince Scherbanin’s apartments – together with the trunkful of jewels.

He was told never to move outside the door. After a week or two, he was told the Russians had “caught up with him again.” Soviet agents were patrolling the street. He must be moved again, at dead of night. An apartment had been arranged for him in another part of the American sector. Again, he must never move outside. After a short time there, he was moved again, then again. Eventually he got tired of moving from flat to flat and living behind locked doors and drawn curtains. He walked out of his hide-out apartment late one night, and returned to his own flat. He telephoned Scherbanin to return the trunk-load of jewels immediately.

Incidentally, Prince Ferdinand, despite the jewels he had been more or less sitting on, had been having a tough time financially in Berlin.

Unemployed princes rated the same as anybody else on the grim ration scale. He was more fortunate than some, however. A British officer who was enjoying the favours of Ferdinand’s wife – a Wagnerian blonde who sang in night-clubs under the name of Rosa Rauch – found the prince a job driving a taxi for the British press.

The officer in question found it piquant to have his breakfast sent over to Rosa Rauch's apartment in the taxi driven by the princely cuckold.

It was to this apartment that Ferdinand now returned, and it was 2 a.m. when the trunkload of jewels arrived. He was not sufficiently awake at that hour to inspect the trunk in the presence of the person who delivered it. When he opened it next morning, he found that fifteen of the most precious items were missing.

He immediately informed the American police, and then his troubles really started. In the meantime, Princess Hermine died at Frankfurt-an-der-Oder. The prince's girlfriend, a massive brunette, was arrested by the American police on alleged suspicion of having murdered the aged Empress. Some jewels found in her possession were confiscated. She had been visiting Frankfurt frequently, it appeared, and had brought back some more jewels to be added to the collection in the trunk. (It turned out that Princess Hermine was negotiating to buy a tourist hotel at Hitler's Berchtesgaden Eagle's Nest.)

The Princess Caroline arrived back from her mother's death-bed, with jewels given her by her mother, which she brought back to Berlin with Russian permission. Her flat in the British sector was searched, the Princess herself was searched, and all jewels confiscated by the Americans.

Where treasure was concerned the Americans acted like bloodhounds. Their only legal interest in the matter should have been to help Ferdinand get his lost jewels back. Princess Hermine had died in the Soviet Zone of a throat disease, as testified by Soviet doctors. She had every right to dispose of her private fortune as she chose. Her daughter and even the Prince's girl-friend had a perfect right to have jewellery in their possession. The Americans had no right to search premises in the British sector. But with treasure in the air, they were indefatigable.

The U.S. police chose not to believe Ferdinand's story, and were very indignant that one of their officers had been mentioned. The Prince and Rosa Rauch, who had returned to him in the meantime, were both arrested. After many hours of third-degree questioning, Ferdinand – against his will, he

maintains – was injected with a “truth drug.” The rest of the jewels in the trunk, needless to say, were confiscated.

Ferdinand told me, later, that he was given a massive injection from a huge hypodermic syringe, which knocked him out for a day and a half. He was probably as much stupefied by the rush of events as by the drug. He said he had no idea what questions were asked of him or what answers he gave, but that he was in a very “confused” state about the workings of American justice.

First forced to live a hermit life on absurd pretences, then half his jewels disappear; arrested because he reports the fact; his girlfriend arrested on a murder charge; his wife arrested because she was with him; his sister searched – and all the rest of the jewels confiscated. Enough to set even a princely mind in a whirl!

Eventually he was freed, his wife and girl-friend also. Ferdinand immediately “fled” to the British sector. Some of the details in this mystifying case began to leak out in the press, with the Russian announcement of the death of Princess Hermine and a statement by Ferdinand about the loss of his jewels.

The day following these announcements, the Americans started putting pressure on the British to arrest him again, this time on a charge of falsifying his “fragebogen” (a detailed questionnaire relating to one’s political past). While this was going on, arrangements were made for the funeral of Princess Hermine.

Her body was brought back from Frankfurt-an-der-Oder for interment in the Hohenzollern family cemetery in the beautiful Sans Souci park of Frederick the Great, at Potsdam. The Russians made the necessary arrangements and waived formalities so that the few press representatives interested could attend.

There was something bizarre and incongruous about the whole affair. The journey through the crumpled buildings of once lovely Potsdam; the deadness and shabbiness of this destroyed garrison town of barracks, palaces and churches, the pompous official at the gates of Sans Souci who refused to let anyone enter the “private park of the Hohenzollern family” (even Russian officers were turned back at the gates until orders arrived from somebody very high up in the Soviet

administration that the gates were to be opened). The crowd of musty Hohenzollern retainers who looked as if they had stepped out of last-century oil paintings and would step back into their frames again as soon as the ceremony was over; the beautifully kept park, modelled on Versailles, and the simple chapel and the black-gowned bishop and the plain black coffin and a few wreaths.

There were shocked expressions on the faces of the retainers and relatives as American photographers clambered along the top of the chapel doors shooting flash bulbs every few seconds; again when American correspondents, demanding to know where were the missing jewels, buttonholed Princess Caroline as she emerged, pale and weeping, from the chapel.

It was a scene which could only have been enacted in the Berlin of that period. All were shocked at the crude behaviour of the Americans. In addition to private grief, it was an historic occasion. It was almost certainly the last time a member of the Hohenzollern family would be buried at Potsdam. The internment of Princess Hermine marked the end of an era.

Only one available member of the family was not present at the funeral. That was Prince Ferdinand. On the very night of the funeral, after further insistent calls from the Americans, British police officials arrested him – in his pyjamas, in his British sector flat – and charged him with falsifying his “fragebogen.” Ferdinand had omitted to state, when he took the job as taxi-driver at the British press camp, that he had joined the S.S. in 1930. The Americans had a monopoly of information on this subject, for they had complete files of Nazi party membership. They often made use of this when they wanted to arrest somebody for other reasons – and who knows how many times it has been used as a threat to purchase loyalty from their agents?

I visited Prince Ferdinand in his prison cell while he was awaiting trial.

He is not a pleasant individual. War injuries have given him a heavy cast in one eye and the most dreadful form of stutter I have ever encountered – a stutter which starts in his stomach and makes it flap in and out like a sheet on a windy clothes-line.

He made sure I was not representing a Communist paper before he would talk to me. He was still numbed by his treatment at the hands of the Americans.

"I turned to them as friends," he said, "expecting justice after my jewels were stolen. And they treated me as a criminal." He went on to relate the story as told above.

"But why did you fall for the story that you were being shadowed by Soviet 'agents'? What have the Russians got on you, anyway?"

"You see, it's true that from their viewpoint I'm a 'bad hat.' Of course I'm a Junker and a militarist. I did serve in a 'Death's-head' unit in Russia during the war, where we used to bump off Commissars and people like that. And when my American friends told me I was in danger, of course I believed them."

"What about the charge that you were a member of the S.S.? Is that true?"

"I don't think so. What is true is that in the 1930s, I used to knock about with friends who were in the S.S. That's when I lived in the Ruhr. You know how it was in those days. The 'Reds' were very active, and we used to go out and bump some of them off at night. That was in Cologne. But then, after Hitler came to power and the Nazis turned against the aristocracy, I had nothing more to do with them. My family moved up to the Baltic Coast. I did receive a card by post once, showing me to be a member of the S.S., but I mailed it back. I never paid a fee or attended a meeting, never wore a badge or uniform."

Ferdinand was sentenced to nine months imprisonment by a British military government court, but was released on appeal shortly afterwards.

And the jewels? They were removed to Frankfurt for "safe-keeping," and up till the last I heard they had never been returned. As for those missing from the trunk, nothing further was heard of them.

### **Corruption in High Places**

Only the Berlin of the occupation period could have produced such situations.

Corruption and demoralisation seemed to have set up a chain reaction, from Germans to occupiers and back again. Misery and despair on one side, luxury and greed on the other.

Jewels, cameras, art treasures or actresses, were all to be had for a few cigarettes or a little coffee – and the Allies had a monopoly of these commodities. From the highest officials to the private soldiers, all were engaged in a wild scramble to turn their occupiers' privileges into concrete assets.

So many high British officials were engaged in racketeering that the Chief of the Civil Affairs Division (equivalent to Minister of the Interior), Mr. Julian Simpson, brought out a special team of detectives from Scotland Yard to investigate and prosecute racketeers in the British Control Commission. Within a few weeks, Tom Haywood, who headed the team, had a case-book involving chiefs and deputy-chiefs of divisions and high-ranking military officers. In one instance crate-loads of valuable German furniture and carpets had been flown back to England; more crates still stood on the Gatow airfield in the British sector, awaiting plane space.

Simpson and Haywood demanded prosecutions, and the files were sent to London. For reasons of "prestige" ("what would the Soviet-licensed press say?"), it was decided to hush matters up. Mr. Simpson resigned his position and went back home to Australia. Mr. Haywood was transferred away from Berlin to the Zone, where he could busy himself with less important personalities. In some instances, however, there were checks made in homes in England, and crates of valuable carpets, oil-paintings and other valuables were flown back to Germany.

One British Public Safety official in the Zone, who objected to prosecuting the small fry while the big ones were left unscathed, told me: "Every time they came to me and asked me to investigate some soldier who'd been 'flogging' a few cigarettes, I'd open up my files and say, 'Let me get after these chaps and I'll take on the little fellows afterwards.' And in that file, I had some of the biggest names in the British Zone," he added.

One could dig into the affairs of almost any Allied organisation in Berlin and discover graft and black-marketeering.

E.C.I.T.O., for instance, was a United Nations organisation (European Control Internal Transport Organisation) set up to organise some sort of order out of the chaos of Europe's rail, road and water communications after the war. One of the

Berlin secretaries provided me with copies of correspondence to show that Berlin personnel were engaged in widespread illicit trading.

E.C.I.T.O. trucks were being used to smuggle goods through to Luxembourg, where they were distributed all over the world. Machine-needles by the hundred gross were offered, according to letters I have in my files, through E.C.I.T.O. agents in Paris and London to firms in the Middle East and India. Goods packed in E.C.I.T.O. boxes or trucks painted with E.C.I.T.O. letters were never searched at the frontiers.

When I turned my file over to Haywood of Scotland Yard, he sighed and said: "I can't touch it. With my forty men, we are so up to our necks with following up our own cases here, that I haven't a man to spare for this one. This would mean sending men to Paris, London, Brussels and Luxembourg. As American military officers are involved, I'd have to have American permission to follow it up, too."

Nothing was ever done about it, and the officials concerned will probably live happily and untroubled for many years off their occupation investments.

Where one Allied official was involved, there were usually ten Germans – paid in U.S. or British cigarettes.

### **Forgery of Protokol M**

On January 14, 1948, certain British correspondents in Berlin were called together by a British political intelligence officer. I was in Berlin too, at the time, but was not invited. The correspondents were shown part of a document of which the officer said, "there is absolutely no doubt of its authenticity." The top and bottom parts of this document were folded over, concealing the origin and signature, date of issue, etc. Written in pseudo-Marxist language, the document, known as 'Protokol M' consisted of a preamble and five sections.

"The coming winter will be the decisive period in the history of the German working class," the preamble started.

"This battle is not concerned with ministerial posts, but is for the starting position for the final struggle for the liberation of the world proletariat ... The working class of every nation will provide the necessary assistance."

The five-point programme called for:

- (1) Strikes against transport to disrupt food supplies.
- (2) Agitation cadres to be formed to exploit weaknesses in Social Democrat organisations.
- (3) The organisation of secret radio stations. Names of supposed organisers were given. "We must guarantee that receiving sets are installed in good time and secure places."
- (4) Strike cadres were to be organised by the end of February, organisation of a general strike would begin in early March.
- (5) "M. A. Cadres" were to be placed in charge of the strike. (A most unlikely quotation from Lenin was used to bolster up the rest of this ridiculous document: "He who places at the top of his programme political mass organisation embracing all the people, even before his tactics and organisation, runs the least risk of failure in the revolution.")

The chosen correspondents were told that "Protokol M" would be published in the French licensed evening paper "Kurier," that evening; that their stories should be based on "Kurier" and not on British Intelligence; but they could say that British intelligence had known of the existence of this document for some time and had no doubt of its genuineness.

The correspondents waited around with considerable impatience for the evening issue of "Kurier." Eventually it came – but with no mention of "Protokol M." The telephone of the intelligence officer was soon ringing and half a dozen indignant journalists wanting to know what was going on. Was that his idea of a practical joke? He was very astonished that it was not in the paper and begged them to call him back after half an hour. Some harsh words must have passed between him and his French opposite number, for within half an hour the British officer was able to tell the correspondents that there would be a special edition of "Kurier," later in the evening with the story. Sure enough, a few hundred copies of "Kurier" were run off later that evening carrying "Protokol M." It seems that the editor had stage-fright almost at the last moment and had decided not to carry the story, but heavy pressure was brought to bear.

The most enraged man in Berlin that night was Arno Scholtz, editor of the British licensed Social Democrat paper, "Telegraf." Normally Scholtz did not shrink from publishing the most outrageously false stories. He had "Protokol M" in his

pocket for some weeks; had even taken it to London with him and tried to sell it to a London newspaper. It smelt too much like the infamous "Zinoviev letters" forgeries, published by the British Tories on the eve of the 1924 general elections to discredit the Labour Party, to the particular editor to whom Scholtz offered his story. He turned it down, and Scholtz did not raise the good English pounds he had been seeking. As the story was turned down in England, Scholtz was dubious about publishing in Berlin. There is no doubt at all that Scholtz knew the document was a forgery, but still he was furious at being "scooped" by a rival paper.

Next morning, the story made a sensation in the British and shortly afterwards in the world press. Properly trimmed with guarantees of British intelligence, quotes from officials in the British Zone that sabotage had already started, stories that troops were being moved to the Ruhr as precautionary measures, "Protokol M" became the sensation of the year. The following day the British Foreign Office released the full text, with a pompous statement that "It had been known to the British authorities for some time."

On January 21, Mr. Hector McNeil, assured the House of Commons that "His Majesty's Government believes this document to be genuine." He also added to quieten the suspicions of some members that the German press had obtained copies of the document "by the ordinary methods of news gathering" and its publication was made "quite freely and without instigation by us and as far as we know by no other government."

Pravda nailed the story for what it was, a "villainous forgery circulated by British intelligence in order to justify the repression which is being prepared against democratic movements in Germany." As Communist newspapers were being closed down right and left at that time, the SED and People's Congress had been banned in the Western Zones, Pravda put its finger well and truly on the spot. "Protokol M" was a good illustration of the type of incident which the lunatic fringe in military government were capable of manufacturing. "Protokol M" was to be the prototype for future provocations to turn the "cold war" into a "hot" one.

It was not until three months that Mr. Hector McNeil had to eat his words and make a painful admission to the House of

Commons that the document was a forgery. Meanwhile the damage had been done and repressive action against the Communists was in full swing.

"Mr. Bevin," stated McNeil, "decided that the most careful and exhaustive investigations should be undertaken. These eventually led us to a German, not employed by H.M. Government, who, after questioning, volunteered that he was the author of the document. I have read a summary of his statements and I must tell the House that they are not convincing and that they are in parts conflicting. The Secretary of State, however, wishes it made plain that after these further investigations, we can only conclude that the authenticity of the document now lies in doubt."

All of which was Mr. McNeil's roundabout way of admitting the truth of Pravda's terse comment that "Protokol M" was a "villainous forgery" perpetrated if not by, at least with the knowledge of British intelligence.

To this day the name of the forger has not been released, nor his position. In Germany, it is widely accepted that the person referred to by McNeil is a leading functionary in the British Zone organisation of the Social Democrats. The only action taken against the intelligence officer who palmed the story on to correspondents was that he was transferred to the British Zone.

An amusing sidelight to the "Protokol M" story for me personally was that while I was unsuccessful in dissuading most of my colleagues from lending themselves to such an obvious "phoney," I was successful with Leo Muray, of the Manchester Guardian. He arrived in Berlin from Vienna on the evening when the story was released. I told him of it and my reasons for disbelieving it. It was "supposed" to have originated in Belgrade in the "autumn" of 1947. What serious person and what Communist would take notice of a document which bore no exact date, no address of origin and no recognisable signature? What Communist would use such a roundabout quotation from Lenin, the only purpose of which could be to justify the stupidity of the tactics outlined in the document – and to introduce the word "revolution"?

After some discussion, Muray agreed with me and did not send the story. Next day, with the story splashed all over the

British Press, Muray got an angry message from the editor, demanding to know why he had not sent the story.

After Hector McNeil's April 19 statement, however, the Manchester Guardian came out with an article preening itself for its acumen in having discarded a story which was so "obviously" a doubtful one.

"The Foreign Office," wrote the Manchester Guardian, "comes rather badly out of the episode of Protokol M. It accepted as genuine a document which, even to uninstructed observers like ourselves, appeared to be doubtful on the internal evidence alone. Gullibility is the worst possible vice of an intelligence service. Those who swallowed 'Protokol M' might well be released to seek their fortunes writing thrillers for the commercial market."

"Protocol M" is a forgery which deserves to stand with the "Zinoviev Letter," the "Protocols of Zion," the "Reichstag Fire," and other villainous provocations invented by reactionaries to justify oppression. It was exploded in the U.S. Congress in the middle of the debate on Marshall Aid and was used as an argument for the need of American dollars to save Europe from Communism.

### **Mass Production of Lies**

There were many similar clumsy tricks pulled out of the armoury by the Berlin professionals in political warfare, disguised as information and intelligence officers. Crude and stupid as many of them were, the plots sometimes misfired to the temporary embarrassment of the governments concerned.

One enthusiast in the British I.S.D. (Information Services Division) produced a plan for "counter-propaganda" working through the German press and certain British journalists (the B.B.C., Reuters, News-Chronicle and Daily Express were to be excluded). A definite programme of prefabricated stories was to be floated for simultaneous release to British and German correspondents. An exact list of stories was contained in the memorandum produced by the official concerned.

It included the following "news" stories:

- "Mass arrests for former social democrats in the Soviet Zone"
- "Food riots in certain cities in the Soviet Zone"

- “Slave labour in the uranium mines in Soviet Zone”
- “Mass exodus of workers to the West,” etc.

Unfortunately for this particular officer he was so intoxicated with the brilliance of his brain-child that he talked about it too often and too openly. A summary of his memorandum appeared one day in the Soviet licensed “Berliner Zeitung.” Of course the story was immediately denied, but the I.S.D. officer was quickly whisked off from Berlin to the British Zone with stern admonitions to keep his mouth closed in future.

The programme of stories however went through, with a few alterations as to the order in which they would be published, and a few additions. One of the more recent campaigns in the West German press was in preparation for the demand for a German army in the West. A series of stories was released about the People’s Police in the Soviet Zone, pretending that it was a vast army in police uniforms, complete with tanks, artillery – and one paper added – planes as well. The Sozial-Demokrat, to cover up the fact that the French were using German troops to crush the independence movement in Indo-China, claimed Soviet Zone people’s police were fighting with the democratic forces in Greece. It even published a large list of names and home-towns of those supposed to have been killed fighting in 1949. “Neues Deutschland,” the S.E.D. newspaper, checked every name in every town. In some cases no such people as mentioned existed, in other cases the names existed but in no case did a name correspond with anybody who was a member of the Soviet Zone police force. But for every lie that was crushed a dozen more were invented by the Goebbels-trained journalists working for the social-democrat press.

One of the crudest efforts perpetrated by British intelligence in Berlin was the production of a “pro-forma” questionnaire, which any British officials having dealings with Russians were supposed to complete about the particular officials with whom they came in contact.

The document was marked secret, was printed by the firm which did all British official printing in Berlin, and by the nature of the questions, it was clear that the questionnaire referred only to Russians.

A copy of this was left one day on a table after a Control Council meeting in the Allied Control Building. Either it was

left as a friendly warning by some sympathiser or it was meant as a subtle means of increasing Russian suspicions and forcing them to break off those social relations which still existed. From the moment that document was known to the Russians, they could justifiably expect that every British official with whom they came in contact was a spy.

The “pro-forma” was sent around to various British officials with a memo, stating if they had any doubts about filling in such forms, they should ring a certain telephone number. A British intelligence officer who answered at that number would then allay their scruples. Several of the questionnaires were returned to the issuing officer with angry notes from officials who said they had not come to Germany to spy against the Russians.

The questions concerned the military rank and branch of service, decorations worn, languages spoken, region in Russia where the official was stationed (to make it quite clear that the questionnaire was for use against Russians it said with regard to the last question, “e.g., White Russia, Ukraine, etc.”), whether subject had been abroad before and other routine questions of military intelligence.

The face of the intelligence officer who was supposed to quieten one’s scruples was a fine purple of anger and embarrassment, when I dropped a photostat copy of the document on his table one morning and asked him what it was all about.

Eventually, amid mumbled threats of the Official Secrets Act, he muttered something about “mere routine enquiries” for information which helps Control Commission officials “to deal with their Russian opposite numbers.”

A facsimile of the “pro-forma” eventually found its way to the British and German press and British-Soviet relations were dealt another heavy blow. And this brings us to the subject of social relations between the Russians and the western allies.

Any newcomer to Berlin, certainly any newcomer in the press world, was told that it was impossible to see any Russians. “They never even answer their telephones,” one was told by the official liaison officers.

Stories were spread that no Russian could visit a westerner without permission from his superior officers; that any Russian having social contacts with westerners came under suspicion of the Soviet police, and if he persisted in his contacts he

would “disappear,” that those few who did have contacts were “police spies.”

Far nearer the truth was that British and Americans having friendly relations with Russians were regarded with the greatest suspicion and if they disregarded hints, they “disappeared,” or, in the western way, they were declared “redundant” and sent back home. This happened in a number of cases, especially to friendly British-Russian liaison officers.

From the time I arrived in Berlin at the end of 1945 until the time I finally left Germany in April, 1949, I had close and continued social relations with Russians. Of the half dozen who became my good friends, five were still in Berlin when I left, the sixth had been transferred back to Moscow, where I kept track of him through his articles on Germany which appear regularly in the Soviet press. I invited them – and they came – to my flat and the British Press Club.

They invited me – and I went – to their flats and to the Soviet Press Club. If they accepted an invitation, they never failed to come.

At the British Press Club, my Soviet guests were usually joined by several British correspondents and other guests of the club. Discussions ranged over the widest variety of subjects – and no holds were barred on either side. I could drop in at any time to the Soviet Army newspaper “*Taegliche Rundschau*” and see the editor, Colonel Kirsanoff, and this applied to any other correspondents interested enough to the attempt.

In the early days of the breakdown of the Allied Control Council, at the time of the collision between the British Viking air-liner and the Soviet Yak fighter plane, when official relations were at their lowest ebb, Marshal Sokolovsky’s aide, Colonel Prishepniko came to a dinner party at my flat, together with General Robertson’s public relations officer, Richard Crawshaw, and Colonel Howley’s public relations officer, Fred Shaw. Shaw and Prishepniko had a vigorous verbal duel over American intervention in Greece, but the dinner was a great success. Prishepniko, who is a tall, exceedingly handsome and intelligent officer, learned excellent English when he served with a Soviet tank-purchasing mission in the United States.

There was no difficulty in having friendly contacts with the Russians if one went to the trouble of getting to know them.

Many people complained that the Russians did not come to their cocktail parties when they were invited.

My Russian friends explained that they were excessively bored with cocktail parties, and bored in general with being treated like "museum pieces" by gushing Allied wives who were just "too thrilled" to actually talk to, and touch a Russian. It was something to write home to one's friends about. The parties the Russians liked and the invitations they accepted, were to smaller, more intimate affairs with people they knew and liked and with whom they could have interesting discussions. Most of them were good linguists and spoke either English or German or both. Those from the press world with whom I had, naturally, the closest contacts were extremely cultivated people, with a knowledge of European literature and drama that put most of their hosts to shame.

The mistake that many British and American correspondents made, once they did make contact with their Russian opposite numbers, was to try and exploit them as a news source. They would telephone on all sorts of occasions, hoping to get a "beat" on their colleagues with some meaty quotes from Soviet sources. And, of course they were always disappointed. There were no "leakages," official or otherwise from Soviet sources, such as correspondents were accustomed to from their British or American contacts.

If one approached the Russians as human beings and not as "news sources" one made fine friendships with polished and cultured men and women, with whom it was possible to enjoy a first night at a theatre or opera and have a stimulating discussion together over supper afterwards. But to try and worm out of a Russian official what the Soviet attitude was going to be to a certain proposal coming up for discussion at the Control Council, was to risk being regarded as a spy. A Russian regards the premature disclosure of government policy as treachery, and it is certain that many social contacts which could have been developed were broken off by this insistent prying into a Russian's official business which is considered normal in the west, over a few drinks, but which is unthinkable with Russians.

There were those amongst Allied officers who deliberately tried to sabotage Allied-Soviet social relations from the first

days. There were the liaison officers who wore their Tsarist or White Guardist decorations and made loud anti-Soviet remarks at the Control Council buffet, who paraded the fact that they were intelligence officers and deliberately tried to arouse Soviet suspicions. It is quite possible that the “pro-forma” mentioned above was intended for this purpose when it was seen that the earlier line – that it was impossible to have social contacts with these “Soviet bounders” – had failed and increasing numbers of western officials were making friends with their Russian opposite numbers. “If one can’t drive the British away from the Russians, let’s try driving the Russians away from the British” was the attitude of one Colonel of liaison that I knew.

A favourite form of sabotage was for Allied liaison officers to hold up letters sent to the Russians and then blame the Russians for the resultant delays. On several occasions I and other correspondents had applied for transit passes through the Soviet Zone and had been held up for more than a reasonable time. Our enquiries produced the standard excuse: “You know what these Russians are, chaps.” Eventually we found the requests had never been sent to the Russians.

A particularly cheap and crude snub to the Russians was administered by the “wrecking section” in British Public Relations. Several tours of the Soviet Zone for British correspondents were arranged by the Soviet press section. On those trips, British correspondents were hospitably and correctly treated. Food, lodging and petrol for our cars was provided free of charge. We were taken to the places we wished to visit and as far as possible interviewed those officials we desired to. We were treated as honoured guests, in a warm-hearted and friendly manner.

When Soviet correspondents desired a return trip, after months of negotiation, arrangements broke down, because the British officer conducting the negotiations, Colonel Gillespie, demanded payment in advance, for petrol, food and lodging. Payment had to be made in British occupational currency, which, incidentally, was illegal for Russians to hold.

Such treatment was a challenge to British honour and hospitality. At the same time a large group of German editors were invited to England as the “guests of His Majesty’s Government.” A group of Czech correspondents were expected in the

British Zone (these were the days when the West hoped to woo Czechoslovakia away from the Soviet sphere) and orders were given to Public Relations officials to “entertain them lavishly, all costs to be borne by the Foreign Office.”

A special meeting of the British Press Association was called to discuss Gillespie’s snub, and it was decided that the correspondents, many of whom had experienced Soviet hospitality, would pay the cost of the tour out of their own pockets. When this reached the ears of Colonel Gillespie, he finally decided the trip could be arranged, cost-free after all.

In the end the tour turned out a complete fiasco. A schedule agreed by the Deputy Military Governor, Major-General Brownjohn, was repudiated by the Zonal Commander, Major-General Bishop. Half the places to be visited were struck off the list, soon after the tour started. A highly embarrassed British conducting officer, Major Donald MacLaren, tried to do a correct job, kept cabling Berlin and receiving fresh instructions, which were promptly countermanded by General Bishop who did not want Russian journalists looking at munition plants that should have been dismantled. In the end the trip was abandoned and the Soviet journalists returned to Berlin to lodge an official protest about the way they had been treated.

The only Russian-speaking liaison officer at British Public Relations was declared “redundant” because she did her best to smoothe out the difficulties and maintain correct, friendly relations with her Soviet opposite numbers. After she left no one was appointed to replace her and one more line of contact with the Russians was snapped. By mid-1948, there was no official means for a correspondent to contact the Soviet press section – although German journalists and editors were being pressed on to us from all directions.

Correspondents who came from London to see the Soviet Zone were usually “informally” directed to myself or the dismissed liaison officer if they insisted that they wanted to meet Russians. In that way a special correspondent of the London Times, a B.B.C. commentator and a well-known Fleet Street foreign editor were able to visit the Soviet Zone with the minimum of formalities – at 24 hours’ notice.

The wreckers left no tricks unplayed however to ensure that visitors from outside would have no contact with the Russians. Deceit and downright lies were part of the stock in trade.

## **Disarming Germany**

The Allied Control Council on December 30, 1946, passed an important decree in the spirit of Potsdam for the speeding up of the "complete elimination of German war potential." It had previously been agreed that enterprises classified as Number 1 war plants and military installations would be destroyed by June, 1947. The Control Council decree of December 30, 1946, provided for four-power teams to tour the four zones, inspect the plants reported as destroyed and in general to ensure that there was no illegal manufacture of arms in these plants and that no undestroyed war potential remained.

In the early days of occupation, military and economic intelligence experts had co-operated splendidly to draw up lists of plants and objectives which could be regarded as "war potential." It was a comprehensive list covering thousands of installations ranging from the great bunkers in the centre of Berlin to submarine pens in Kiel, underground airfields, research stations and testing fields for secret weapons. Everything, in fact, brought to light by the pooling of four-power intelligence.

Each occupying power was responsible for the destruction of installations in his own zone. The agreed method of checking on demolitions was that each military governor would submit a list of the installations which he claimed as destroyed and teams from the other three occupying powers would select sample plants from the list for spot inspection.

The scheme worked splendidly at first. I talked with British and American officers who took part in the first inspection tours in the Soviet Zone. They were enthusiastic about the thorough-going way in which the Russians carried out their demolitions. They were given, so they assured me, every facility to inspect installations, were offered every hospitality and were satisfied that the Russians really meant business in the matter of "elimination of war potential."

The Russians, however, were soon critical of the rate and type of destruction being carried out in the western zones, particularly in the British Zone which carried the greatest weight

of military installations. They listed large numbers of plants which – far from being destroyed – were actually producing. They listed underground airfields, shipbuilding installations at Wilmershaven, even the great bunkers in the British sector of Berlin itself, which were undestroyed. Even plants inspected as destroyed in many cases fell far short of Soviet standards. In many cases the buildings, rail tracks and other gear were left to move the machines right back in again.

### **Saboteurs at Work**

The wreckers in British and American headquarters began to be anxious about this Soviet “prying into their affairs.” Somehow or other it had to be stopped. Those whose self-appointed task it was to prove to the public in the west that any co-operation with the Russians was impossible, did not even inform the press that inspection teams were wandering about the Soviet Zone, checking up on de-militarisation. It would have spoilt the barrage of propaganda about the “impenetrable veil” which made it impossible to know what was going on in the Soviet Zone. The “Zone of Silence,” they allowed it to be called in the West-licensed press.

I stumbled across the story by accident in an interview with General Draper, at which was present the foreign editor of a great London daily paper. The latter could not believe his ears when Draper mentioned that joint British-French-American teams were wandering about in the Soviet Zone. An interview was arranged with members of the first teams to return. It is a striking commentary on the policy of top occupation officials that no press release was put out in this very important development in four-power relationships.

It was indeed a fact that news of this type was always suppressed, either at source or by the public relations chiefs. If there was something positive to report in the way of four-power co-operation, trade agreements between the Soviet Zone and the west, it was always left to the correspondents to dig it out for themselves. If there was anything that could be given an anti-Soviet twist, the Roneo machines were soon churning it out as a press release or the public relations officer whistled together a press conference.

This particular story, which cut clean across the propaganda of the day, was unfortunately published in a somewhat garbled form which made it appear that Allied teams were wandering around in the Soviet Zone checking up on ordinary industrial production.

The day following the publication of the story, I was invited to lunch with Mr. Christian Steel. I guessed the reason for this honour and took along a carbon copy of my original story. After he had broached the subject over coffee, murmuring that such "irresponsible" stories do a lot of harm, I explained the garble to him and showed him my original story.

"But that's even worse," he exclaimed indignantly when he had read it, "there's not a word of truth in it. We have no teams checking up on demilitarisation in the Soviet Zone. That's sheer nonsense. Whoever told you this poppycock?"

We had a heated discussion for several minutes, during which I told him of my interview with General Draper and later with members of the teams who had just returned from the first inspection tours. I listed some of the plants they had inspected and their impressions.

Incredible as it may seem, Mr. Christian Steel, then Chief of Political Division and shortly afterwards Ambassador Steel, chief political adviser to the Military Governor, who had stood me a lunch to deny an "irresponsible" story, knew nothing about one of the most significant developments at that time. And it was from the Steels that the British Government got its news and formed its policies on Germany.

"Well, I knew nothing about this," he said lamely, when I had convinced him that things were as I had described them. "I must say, I wish these people would keep me informed." There were other important occasions in which I found "these people" appeared not to have kept Mr. Steel informed, and that after he had replaced Sir William Strang as political adviser. But that is another story to be related in its due place.

Before long the wreckers had switched their propaganda line from the "Impenetrable Soviet Zone" to the "Soviet Zone of Mystery." What is the good of us sending teams into a few factories which the Russians select themselves to inspect demilitarisation? What's the good of blowing up air-fields and bunkers when for instance shipyards aren't included in the

lists? What do we know about what the Russians are building at Rostock on the Baltic?

Stories began appearing in the West Berlin press and from there in the world press that the Russians had revived the ship-building yards at Rostock, were building naval vessels and submarines there. The Peenemunde stories cropped up at that time; the Russians were building V weapons again, which were being regularly tested and fired over the coast of Sweden. What's the good of destroying airfields when research plants are not even included in the Control Council Agreement?

Such was the new propaganda line developed because the West had become so sensitive to Russian criticism of the failure to demilitarise which only came to light when the zones were thrown open to the joint inspection teams.

The wreckers hoped to scare the Russians off any wider demilitarisation agreement and by pressing their points, they hoped to get the Russians to withdraw from what had already been agreed. But the Russians called their bluff. They proposed that shipbuilding installations should be included and invited Allied teams to visit Rostock and see for themselves what was going on. They also intimated that they were anxious to have an agreement which would include every type of research installation. And this threw the wreckers into a panic. They really believed some of their own propaganda and thought the Russians were doing the same things in their zone as was being done in the west, stalling on some of the most vital aspects of demilitarisation. The inspection teams by this time had finished their work in the Soviet Zone and they had reported that the Russians had loyally carried out their task under the December 30 agreement.

Work in the British Zone had hardly started. Officials whom I interviewed on the subject said: "The Russians have every right to complain. But we just can't get the manpower, you know."

An Air Force Intelligence Officer, who visited me to see my photographs of the Russian demolitions at Peenemunde, said: "I don't wonder the Russians complain that we are only playing at demolitions. This stuff makes our work look silly."

At all costs the mutual inspection of demolition of ship-building facilities had to be stopped. Everybody knew that they

had been preserved substantially intact in the British Zone. Potsdam said: "The production of ... seagoing ships shall be prohibited and prevented," but the Germany First group, who were running Military Government, had other plans.

They were determined that Germany should be allowed to build ships – as she is now doing, ocean-goers up to 7,000 tons – and so the installations had to be saved. The Forrestal-Royall-Draper school were already well away by this time with their scheme to revive Germany as the base for the next war against the Soviet Union.

A new line of propaganda was fed to the press. "What's the good of all this dismantling and destruction unless we are allowed to know exactly what goes on in the Soviet Zone. Military installations are not the most important war potential, industry itself is. Unless the Russians throw every square yard of their zone open, allow our teams to go where they like when they like; to inspect every plant at any time, no matter what it is making, we won't have any more Soviet representatives roaming around in our zones.

After that, the Russians no longer believed the western powers were sincere in wanting to demolish military installations. They recognised it for what it was, the old game of stalling, playing for time, talking about destruction of war potential but not destroying it. They wanted some evidence of sincerity, but got hypocritical demagoguery instead. Once again the deliberate policy of wrecking four-power unity.

Had the western powers really believed their own propaganda about tanks, planes and warships being manufactured in the Soviet Zone, they would have eagerly taken the chance to inspect

(a) all the plants listed by combined intelligence in the Soviet Zone;

(b) every shipbuilding installation, and

(c) all research institutes.

They could have carried out a step-by-step, planned programme to have effected this. They had no grounds for complaints, if they were sincere in wanting to de-militarise. They were the ones who named the plants the Russians were to inspect in their own zones. The Russians had no more freedom to roam in the western zones than did the western

representatives in the Soviet Zone. And they did not ask for any privileges they were not prepared to extend to the West.

Even had the western powers sincerely believed that tanks and planes were being built in textile factories in Saxony, they would at least have seized the opportunity offered of checking on what they could. But they did not want such an agreement. They feared such an agreement. They could not offer reciprocal facilities in their own zones without disclosing how miserably they had failed to carry out their obligations.

Lest there should be any doubt about this, we have a statement provoked by a guilty conscience from no less an authority than Mr. Bevin himself, during a House of Commons debate on Germany on Thursday, July 22, 1949.

Bevin was defending himself from Tory attacks on his dismantling policy in Germany.

"I made a promise in Moscow," said Mr. Bevin, "I think this is where the Russians have a grievance. I said I would complete the dismantling of what were called Number 1 war plants, by June, 1948. I tried my best but I was completely hampered by the Allies."

"By whom?" from a questioner.

"The Americans took one view at one time and then altered it and put up entirely different proposals. I doubt," he continued, repeating a lesson which had been drummed into him in Washington by the Clay-Draper school of anti-dismantlers, "if dismantling is any good except the plants which must be destroyed for security."

Perhaps some tremor of fear, caused by the knowledge of how far he had committed England to America's future plans for Germany, crossed Mr. Bevin's mind at this point, for he added: "It is all very well to write Germany off as never being a potential aggressor. I am not ready to do that yet. Nobody with responsibility in the Foreign Office is prepared to do it either."

Socialisation was abandoned by Mr. Bevin on his own admission because of American pressure, demilitarisation was abandoned by Mr. Bevin on his own admission because of American pressure. The Bevin's statement incidentally removes the last chance of an excuse for the actions of his representatives in Germany in stalling on the work of the inspection teams. The Agreement made by Mr. Bevin was a concrete one

about Number 1 war plants, named and listed. There was no mention in that agreement of even research institutes, let alone ordinary industries. The Russians were pressing for inspection of the demolition of those specific plants which Mr. Bevin had promised would be destroyed.

### **Myth of the Iron Curtain**

The myth that the Soviet Zone was sheltered from the Allies by an “iron curtain” is one which was carefully cultivated but which had no foundation in fact. It was widely believed abroad that the Allies had no access whatsoever to the Soviet Zone, that we have no information as to what is happening there, except such as comes to us from “refugees.”

Actually the Allies have maintained Military Missions to the Soviet Zone, stationed at Potsdam from the first days of occupation. Long after the Control Council crisis and the blockade difficulties, I know that Brigadier Curtis, head of the British Military Mission, was free to travel about the Soviet Zone and check up on reports of military activity. The last time I saw him, late in 1948, he had just come back from some remote spot, where Germans had reported an armoured train, complete with guns, headed “in the direction of Moscow.” (Obviously just turned out of some secret plant camouflaged as a stocking factory.) Curtis found that there was an armoured train there, sure enough, but completely wrecked and with the breech of every gun burst open by Soviet demolition squads.

Brig. Curtis assured me that every facility was given him to carry on his work in the Soviet Zone.

### **Socialisation of Ruhr Heavy Industry**

On October 22, 1946, Mr. Bevin told the British House of Commons that it had been decided to socialise the Ruhr heavy industry. As a first step, the steel and coal industries would be socialised, later chemical and engineering industries. For the time being, British control officials had been put in charge but these would soon be replaced by German trustees for a future German government.

Earlier, on August 20, 1946, Air Marshal Sir Sholto Douglas, then British Military Governor, announced to the Control Council that he had taken over all iron and steel plants in the

British Zone. The object, he said, was to break up the concentration of power formerly in the hands of United Steel, to reduce the capacity of the industry to peace-time needs, to prepare the industry for reorganisation. The industries, he promised, would never be returned to their former owners.

In Berlin, we were told that the socialisation scheme had nothing to do with politics or the fact that there was a socialist government in Britain. It had been proposed in fact by the military men, purely as a security measure. It was felt, we were told, that the only way to ensure disarmament of a future Germany was to control the industrial heart of the country, and the easiest way to do that would be to have the heavy industries run by a German government over which the Allies must maintain some sort of permanent inspectorate. One could call a government to account for breaches of agreement more easily than private firms, so ran the argument.

Mr. Bevin returned to the subject several times, as also did lesser lights in the government and the Control Commission. There could be no doubts that the British Government was pledged to socialise the key German industries.

### **Opposition by Americans**

From the very first these proposals brought forth protests from the Americans. Was not socialism the same as Nazism? Wasn't it National Socialism that we had been fighting and were pledged to destroy in Germany? Would the Ruhr industry be less dangerous in the hands of a strong German government than in the hands of private owners? What was socialised industry but a gigantic cartel – and were we not pledged to destroy cartels? A state-owned industry was the monopoly to beat all monopolies, the most dangerous form of all. Such were the arguments used by the uniformed representatives of the American trusts at U.S. Military Government headquarters.

The trump American argument, however, was a “moral” one. We are here to teach the Germans democracy, aren't we? How can you British be so wicked as to want to force the Germans into socialism? Let the German people themselves decide what should be done with their industries; let them decide for socialism or free enterprise. And gradually the British knuckled under to these arguments. The top men in the Control

Commission never wanted it anyway. In effect they struck a bargain with Clay in the very early days, when Clay was supporting the decartelisation law. "You call off decartelisation," they said, "and we'll call off socialisation." That's the way it worked out, even if the bargain was not as precisely phrased as that.

There were some British officials in the field who put up a fight for the government policy of socialisation. One of them was a British trade union official, Alan Flanders, head of the German section of political division. He persuaded his chief, Christian Steel, that the British were on safe grounds and could meet the German objections because all the leading political parties in the British Zone had expressed themselves in favour of socialisation.

The Social Democrats and Christian Democrats had both passed resolutions to this effect. The Communists, naturally, had been demanding socialisation from the first. Only the minority party, Free Democrats, Liberal Democrats and small right wing groups were against it. Tell the Americans the Germans themselves are demanding socialisation, he said.

That was not enough for Steel, however. Flanders was sent down to tour the British Zone and obtain declarations from the various party leaders that they were in favour of turning the Ruhr industry over to public ownership. He had no difficulties with the Social Democrats and Communists.

### **Adenauer Plays the American Game**

Adenauer, however, who had been in the meantime in close contact with the Americans, chose the moment of Flander's tour for a violent attack on socialisation. He demanded protection for private enterprise and help for German industry by investments from abroad, so that Germany could play her rightful role "in European recovery."

The speech was contrary to a resolution passed by the Christian Democrats a few weeks earlier. It was hailed with delight by the Americans as proof of their contention that the Germans themselves were against socialisation. Flanders spent weeks in the Zone trying to force the Christian Democrats to repudiate Adenauer's speech, or get him thrown out as leader of the party. There was a "leftist" section in the party at that

time strongly opposed to Adenauer's leadership, but the smell of American dollars was already becoming too strong in the Ruhr. The industrialists were beginning to emerge from their fur-lined hideouts to give money and instructions to the Christian Democrats.

Flanders failed in his mission and returned to Berlin. Shortly afterwards he was withdrawn from Germany altogether.

He was compensated for his graceful withdrawal from the fight for socialisation with an American scholarship which enabled him to go to the United States for a few months "to study trade unionism and social conditions."

At the same time the only other Transport House (British Labour Party headquarters) nominee in a high political post, certainly the only other one who opposed Steel on the question of socialisation, Mr. Austin Albu, head of the Governmental Sub-Commission, was recalled to London. He was afterwards rewarded with a safe Labour seat in the House of Commons. Steel took over Albu's job, or rather combined it with his own, and moved upstairs to be chief political adviser with the rank of ambassador. The career men had won out and sent the trade union officials scuttling back home.

Although by 1947 it was obvious that socialisation had been called off, this was strenuously denied in Berlin and London. The trustees for a future German government would be nominated "any day" we were told. In Berlin, a Control Commission spokesman said: "It is true there is a difference of opinion between ourselves and the Americans on this question, but not over the 'principle' of socialisation. It is a difference on the final form of Germany. We envisage a central structure and feel the Ruhr trustees should hold the industries in trust for a future central government. The American view is that there must be a federal structure and the trustees should be responsible only to the Land government. In any case, they feel the Germans must be given a chance to express themselves on the subject."

The Americans soon changed their views, however, about letting the Germans decide for themselves. General Clay had a nasty shock in Land Hesse in his own Zone. In the first Land elections, Social Democrats came out on top in Land Hesse with a substantial majority. Eventually a Constitution was

drawn up for submission to the electors. It contained a famous Article 41, which called for the socialisation of heavy industries and public utilities. The Americans protested against this article but the Hesse government stood firm and quoted back to the Americans countless declarations on “democracy” and the rights of the Germans to decide their own affairs where this right did not conflict with Allied occupation policies. General Clay had to give in but he insisted that the Constitution must not be voted on as a whole. Article 41 must be the subject of a separate plebiscite. This was arranged – and it was accepted by the voters of Land Hesse by over 70 per cent. of the voters, by a greater majority indeed than the rest of the constitution.

Article 41, was adopted by the Constitutional Assembly on October 29, 1946, and ratified by the electors on December 1st, 1946. The Article stated:

“As soon as the present constitution takes legal force and effect:

“(1) Coal, potash and ore mines, iron and steel plants, power plants and rail and trolley lines are transferred to public ownership.

“(2) The large banks and insurance companies and those enterprises of the nature specified in the foregoing paragraph 1, the seat of which is not located in Hesse, are placed under State Administration or supervision.

“Owners of a business enterprise transferred to public ownership in accordance with the foregoing paragraph 1, or any person entrusted with its management, must continue to manage it as State trustees, until laws for carrying out these provisions have been enacted.”

It would seem that the matter had been settled in a clear and democratic fashion. The voters knew precisely for what they were voting. It was not just a vague phrase of socialisation – but a clearly expressed concrete proposal. The law had been debated in the constitutional assembly, voted on separately, carried with an enormous majority in the most democratic procedure. But when the time came for its application, General Clay, guardian and mouthpiece of democracy, vetoed the law. It has not yet been put into operation, over three years since it was adopted.

The reason given for demanding the special vote was that the people of Hesse should not have an item of such importance lumped together with the rest of the constitution. The electors might overlook the fact that there was such a “dangerous” paragraph. Such a law could only be passed if the majority of the voters in Hesse specifically demanded such a law. Clay was misled by his advisers into believing it would be turned down by a big majority.

When it was adopted he had to use the same arguments he used to prevent socialisation being applied to the Ruhr industries. “The people of Germany as a whole must decide such major issues,” he said, conveniently forgetting that from the first day he took over in Germany he had violently opposed anything that savoured of centralism. Clay was the great Federalist, the champion of the rights of the *Laender* until the expression of these rights conflicted with Clay’s ideas on the preservation of free enterprise and capitalism.

Clay’s opposition to centralism in any form was expressed time and again in arguments with the Russians at the Control Council. Full rights of the *Laender* must be guaranteed, only the weakest powers could be reserved for any future central government.

When it came to socialisation of the Ruhr, Clay took the same line. At first he demanded that the British should not impose socialisation from above but let the voters decide. When the electors in North Rhein Westphalia – the Land in which the Ruhr is situated – did vote solidly for socialisation, and a law to this effect was adopted by the *Landtag* on August 6, 1948, Clay insisted that Germany must now be considered as a whole. Important industries and sources of raw material cannot be thought of as the property of one Land.

By that time Mr. Bevin was so deep inside the Marshall Plan bag that he meekly gave way.

The Socialisation Bill was vetoed by British Military Government which in an official statement gave as its reason that it “could not approve action which might prejudice a decision by the Federal Government as to the pattern of ownership to be established for such industries.”

Every repressive measure was carried out in the name of “democracy” and the Americans always cried out loudest about

their concern for giving the Germans complete freedom to decide their own policies. As long as these “freedoms” were exercised to further American policies, they were permitted. Freedom of speech meant freedom to rave against Socialism, Communism and the Soviet Union. It did not mean freedom to criticise American military government. That was another matter as Herr Johannes Semmler, American approved Chief of the Economics Department of Bizonia discovered.

Semmler made a speech to his Christian Socialist Union Party, at Erlangen in January, 1948, in which he said “American food imports into Western Germany are largely corn and chicken-feed for which we Germans are paying dearly. These imports are not a gift from the Americans,” he continued, “but have to be paid for in dollars earned by Germans and by the sale of German exports.”

Such treachery! And not from a Communist, but a solid right wing Christian Socialist and one in the best position to know what he was talking about when it came to deflating the great rosy balloon of American generosity in feeding Germany.

Semmler was immediately sacked on Clay’s orders for “malicious opposition towards the occupying powers.” Later he was nominated by the Bavarian Land Government to the Bizonal Economic Council, but the appointment was vetoed by General Clay, with a sharp reprimand to Bavaria. Democracy could only be tolerated when it worked in Clay’s favour.

In June, 1948, Mr. Bevin was asked in the House of Commons by Mr. Platts Mills (later expelled from the Labour Party for suspected Communist sympathies) whether despite his clear statements in October, 1946, and August, 1947, Mr. Bevin had decided to abandon the socialisation of the Ruhr Industries. Mr. Bevin shamefully admitted – as he has since done many times – that the British no longer control British policy. The United States’ view, he said, was that ultimate ownership of the Ruhr industries should be left to the German people to decide.

### **The Inconsistent Ernest Bevin**

If one turns back to the reports of the Council of Foreign Ministers Conference in Moscow, March, 1947, one finds Mr. Bevin angrily rejecting Molotov’s proposal for a plebiscite for

Germans to decide whether they wanted a centralised or federal government.

"I will not allow the German people to decide on any matter which affects the security of Great Britain," thundered Mr. Bevin.

In actual fact, if any matter affected the future economic and military security of Great Britain and the rest of Europe it was the fate of German heavy industry, but here one finds Bevin weakly succumbing to American and German big business pressure. Whether the German people had a united country with a centralised government or a split Germany with a federal government, was hardly a matter affecting British security, and it was pure demagoguery on Bevin's part to say so.

If Bevin had gone back on his earlier pledges, the German people were determined to have a say, too.

German workers had long memories about their former bosses and had some sense of solidarity with workers of neighbouring countries, who had suffered under German aggression, the main-spring of which was German heavy industry. The workers demanded socialisation and put pressure on the political parties. With the rising strength of the Communists in the Ruhr, it would have been suicide for the Social Democrats to have backed down on the socialisation issue; Catholic trade unionists were also putting pressure on the Christian Democrats. A socialisation Bill was adopted by the North Rhine Westphalian Landtag, on August 9, 1948, supported by Social Democrats, Communists and some of the Christian Democrats.

Professor Noelting, Minister of Economics, gave some interesting figures during the debate, relating to the hard coal industry. Of the total value of coal-mining assets, less than 6 per cent. had to be written off due to war damage. (Our bombing experts who claimed to have won the war by their four years of bombing the Ruhr might study Noelting's report to their advantage.) Nine per cent. of the hard coal mines were directly foreign-owned, mostly by companies in Luxembourg and France, in which British and American companies had shares. Twenty per cent. of the mines were owned by United Steel, 8 per cent. by Krupp, 8.8 per cent. by the Flick combine, 5.25 per cent. by I. G. Farben. Sixty per cent. of all the hard mines were owned by great industrial trusts.

The socialisation bill, as reported above, was vetoed by General Robertson on the grounds that the Landtag was not competent to legislate on matters which affected Germany as a whole. As there was no government for Germany "as a whole" and as this was not even desired by the British and American military governors, there was in fact no way by which socialisation of the Ruhr industry could be brought about by the Germans themselves. By the time the Bonn government had been established, any matters affecting the Ruhr had been taken out of German hands in any case by the setting up of a special regime for the Ruhr.

At about the time General Robertson vetoed the socialisation bill, the Deputy Chairman of the Soviet Zone Economic Commission, Fritz Selbmann (Minister for Industry in the East German Republic) released some figures on industry in the Soviet Zone. Ninety-nine per cent. of coal production, 99 per cent. of electric power, 54 per cent. of the metallurgical industry, 41 per cent. of machine tool production, 35 per cent. of the chemical industry had been turned over to public ownership. Forty per cent. of industry as a whole was in the hands of zonal, Laender or municipal authorities.

The final blow to socialisation hopes in the West was given by the promulgation on November 10, 1948, of Law No. 75, by the British and American authorities. It dealt with the reorganisation of the German coal, iron and steel industries and paved the way for the Ruhr Authority. Trustees for the heavy industries were appointed on behalf of the former owners, and it was stated, they would govern the iron, coal and steel industries until "the German people either through a government for the whole of Germany or through one for the western zones, decided whether these industries should be publicly or privately owned."

The very form of the new set-up made it clear that no eventual public ownership was intended.

The new German Steel Trustees Association was to draw up plans for rehabilitating the former steel combines in smaller units. The trustees – many of them former Nazis and industrialists headed by Herr Dingelbacher – would be the new boards of directors. They must have no connection at all with the former owners! They must never act in the interests of the former

owners. All steel-producing firms would be accepted into the new set-up. The only proviso was that they must no longer own coal or iron-ore mines.

Law 75 was followed by the Ruhr Statute which set up a 7-nation Council to control the Ruhr with America and Britain having a controlling voice, nine out of the 15 votes. (Three votes were allotted Germany, but would be exercised by the occupying powers.) The Ruhr Authority was rushed through before France had thrown in her zone to make Trizonia out of Bizonia and so was largely an Anglo-American construction. It was condemned throughout Germany by all political parties and by the trade unions.

Even the Social Democrats, on whom the British could normally rely for support, condemned the Ruhr Authority and Law 75, and said they would fight for the revision of the Ruhr “Dictate” and would continue to press for socialisation of the Ruhr industries for the benefit of Germany and of Europe as a whole.

### **The Arrest of Max Reimann**

The British Zone Communist leader, Max Reimann, was arrested and brought to trial for a speech in which he strongly condemned the Ruhr Authority, which he described as a “colonial law.”

General Bishop, the British Zonal Commander, was so anxious to jail Reimann that he ordered his arrest on the basis of German right-wing newspaper reports of his speech.

When Reimann was brought before the Court, there was no written evidence of what he had said. The main witnesses for the prosecution were three German journalists who admitted they had taken no shorthand notes of what Reimann had said. The Communist leader demanded that the records of his speech taken by the British-controlled North-West German Radio, should be played in Court. The records, it seemed, had “most regrettably been destroyed” – which was most fortunate for the prosecution.

A British lawyer, Collard, who came from London to defend Reimann, described the charges as “an unwarrantable interference with freedom of speech which if sustained would mean an end to the democracy we wish to establish in Germany.”

Collard concluded: "If Germans are to be sentenced on such charges, all German politicians might as well pack up and go home and leave the administration to British Military Government."

"Justice" had to be administered. It would have been too great a loss of prestige if Reimann had been acquitted. He was found guilty and sentenced to three months' imprisonment. An appeal to the Supreme Court was dismissed. Later he was released from prison to help him carry on his parliamentary duties in connection with the Bonn Constitution, but was re-imprisoned afterwards and served his full term.

The Reimann trial was a scandalous blot on British justice in Germany and was a flagrant act of political discrimination. The British encouraged West German politicians to make the most insulting and inflammatory remarks about Soviet policy and personalities; allowed them to agitate openly for the return of Germany's lost territories; allowed them to foment nationalism and anti-semitism, but Reimann, because he was a Communist, was arrested on a trumped-up charge and jailed with no real evidence brought against him.

At the time of writing, the Ruhr seems in a fair way of being returned if not to its former owners at least to men every bit as dangerous. Explicit formulae for defining war criminals and bringing them before the Courts, laid down in the days when Roosevelt was still representing the United States, was responsible for netting some of the important industrialists on charges of conspiring for war and crimes against humanity. By this procedure some of the top industrialists landed in jail. But for every one in jail there are twenty abroad every bit as dangerous.

A glance at the names of some of them now in key positions in Trizonia, will give an index as to the chances of turning the Ruhr industries over to public ownership.

In Berlin, the story on socialisation is as miserable as its history in the American and British Zones. In the October, 1946 elections, the parties committed to socialisation received 68.5 per cent. of the votes. The only one of the four parties, the Liberal Democrats, which campaigned openly on a "free enterprise" ticket, came at the bottom of the list with 9.7 per cent.

After months of weary negotiations in the City Council, a socialisation bill was passed, which met with the essential approval of all but the "Liberal Democrats." For months more, one excuse after another was found for delaying approval of the bill, by the Allied Kommandatura. It was passed back and forth among the Committees, with the Russians always pressing for its acceptance, the British and American playing the usual time-wasting game. The British were in some difficulties about it because they were under pressure from the Social Democrats, who in turn could not afford to have the S.E.D. appear as the only party pushing socialisation.

Eventually Soviet impatience at the continued obstruction was expressed at a press conference by the Soviet delegate at the Kommandatura, General Kotikov, who related the whole history of the attempts to have the bill passed.

Deeply pained by such Soviet "treachery" at disclosing the affairs of the Kommandatura, the British and Americans however finally agreed to discuss the Bill once more. This time it was definitely turned down by the western powers. "Socialisation measures were approved in principle" the British spokesman told press correspondents, "but it is felt that insufficient provision has been made for compensation to German owners and shareholders."

### **A Pertinent Question**

I well remember the hurt look on the face of the spokesman when I put the question: "Under what section of Allied policy are the occupying powers obliged to defend the interests of German capitalists from the elected representatives of the German people?" Of course the answer is "Fair Play."

The bill was referred back to the City Council again and was buried under wrangling committees until the night when Colonel Howley yawned at a Kommandatura meeting and said: "Well boys, you can fight it out among yourselves. Me, I'm going home," and wrote "FINIS" to the Allied Kommandatura of Berlin. The West Berlin City Council, set up after Howley had wrecked the Kommandatura, was never unkind enough to embarrass the British and Americans with socialisation proposals.

Whether it was American military government in Hesse, the British military government in North-Rhine Westphalia, or

both in the case of Berlin, the pattern of the wreckers was the same. Oppose socialisation. Use every political, economic, moral argument, but at all costs save the industries for capitalism. It was the pattern everywhere of supporting reaction against progress; a pattern supporting the trusts and fighting those who wanted to socialise and decartelise. It was the pattern of supporting the Junkers against those who wanted to carry out land reform: the pattern of keeping the big Nazis in their jobs as long as possible; it was the pattern of encouraging nationalism as long as it was of a "healthy" nature and took the form of being anti-Soviet, anti-Czech, and anti-Polish. It was a pattern which increasingly gave America the dominant voice in German affairs and which increasingly opened the way for penetration of American capital.

How could they agree to socialise future profitable fields of investment? How could they decartelise enterprises in which their own capital was involved? How could they destroy a war potential needed for a future war against the Soviet Union?