

1. Basis of Investigations

The following observations are based on ten weeks field-work with SHABF and Military Government detachments in the British and US Zones of occupation, from May to the end of July 1945. The primary purpose of my assignment was the study of the reconstruction of general and economic administration in different regions of the British and US Zones of occupation. On these I have submitted separate reports. The present report attempts to summarize the more general and in particular the political problems apparent from first hand study of German life during the first three months after the capitulation. These observations do not claim to be a scientific or exhaustive study on public opinion and political developments. They are, however, entirely based on personal observations and work, with all levels of Military Government in both the British and US zones, on interviews with hundreds of German officials and large numbers of civilians. It should be added, that my study of conditions in the British zone (the province of Westphalia) largely dates from May 1945 and is supplemented only by a brief visit, in July, to Hannover and Oldenburg. The more recent observations are predominantly based on work in the US zone of occupation. I also visited in June the French regional detachments at Karlsruhe and Stuttgart.

2. The General Picture

It would be trivial to stress the gigantic difficulties facing the attempt to administer, in four separate zones, one of the most highly developed and organized countries of the world, were it not for the fact that some of the worst immediate catastrophes have, at least in the western Zones of occupation, been averted for the time being. This might well create the impression that the worst is over. There has been no inflation so far; prices have kept remarkably stable; unemployment though considerable has not yet assumed alarming proportions; major diseases have not so far occurred in the western Zone despite the countless thousands of bodies buried under the rubble; life appears to get slowly under way; major political resistance has not so far been noticeable; and the German people seem co-operative and even docile. It is therefore all the more important to stress from the outset that this is a deceptive picture. Inflation has not so far occurred because prices have been kept stable partly by the discipline of the population and partly by the

to occur because, with a minute volume of industrial production, manufacturers of consumer's goods find it impossible to continue on the former price basis. Farmers in some cases continue to receive the former prices subsidy, in some cases they do not. This threatens the whole system of pegged agricultural prices. The great majority of the younger men were only beginning to return home during the last month, and the impact of this, both economically and psychologically, can not yet be ascertained. Above all the unemployment problem looms ahead. So far three factors above all have prevented this problem from becoming alarming; firstly, the great majority of able-bodied men between 16 and 60 were still away, but this is gradually changing. Secondly, the colossal migration of people has so far prevented their full registration and large numbers of people remain unregistered especially in the country, attempting to avoid the return to the town because of the food situation. Thirdly, there is much hidden unemployment because people still live on their accumulated war savings which last much longer than in normal times, as money can be spent on practically nothing except the small food ration. Many thousands of people prefer to do unregistered work in the country in exchange for food rather than return to the towns where they are liable to be used for unskilled and uncomfortable work such as street-clearing, aerodrome construction, etc. The present state of communications makes it much more difficult to get hold of these people than in normal times. Above all perhaps the period of the first shock is rapidly drawing to a close. The relief felt about the ending of the war, and in particular of the bombing, the joy about the deliverance from the Gestapo and the Party terror, which is the one thing that even the dullest and most discontented Germans have felt, is gradually fading. After the first period of chaos a pattern of Military Government is beginning to emerge and stock is being taken. This coincides with the return of large numbers of younger men from the services. It is obvious that in due course the influence of the men released from the armed forces will make itself felt and it becomes therefore an even more urgent question whether their energy will be directed towards collaboration or a new movement of national resistance.

3. The Mental State of Germany

It is extremely difficult to generalise even after a prolonged first-hand study of present day conditions. The following conclusions are, however, made with some degree of confidence. The great majority of Germans are undoubtedly

life of the average German. One also gains the impression that most Germans do not at present wish to think too much about other matters. A vague sense of catastrophe goes together with a reluctance to probe too much into the past or the future. It is agreed by all observers that a sense of guilt for what has happened is not apparent in the great majority of Germans. It is however, important to analyse the reasons for such a state of affairs. There is, firstly, the tendency to regard Government as something separate from the average man and something which it is beyond his power to influence. This is a familiar phenomenon even in democracies but much more marked in Germany. There is the undoubted fact that that pressure upon the average person to fall into line with the Nazi regime was applied gradually, steadily increasing step by step from comparatively small concessions to absolute terror. Hand in hand with an increasingly high feeling of helplessness went a systematic dulling of a sense of personal responsibility. I have heard Germans allege time again, in defence of their apparent toleration of Nazi atrocities, how persons released from concentration camps absolutely refused to give any account of their experiences, even in complete privacy, because of the threats hanging over them in case they divulged anything of their experiences. German soldiers have a similar story with regard to the atrocities perpetrated against foreign populations. These atrocities were almost invariably though not entirely organised by special SS units, and the average soldiers need not know too much about them unless he wanted to. All these facts, together with an instinct for self-preservation and the German tradition of discipline and obedience, provided an excuse if no justification for the great majority to consider themselves as objects and victims of Government. Hence the phrase which I heard again and again: "Wir sind belogen und betrogen worden" (we have been deceived and told lies). In this phrase a sense of impotence is mixed with a feeling of self-pity, characteristic of many Germans when in distress. Yet it is obvious that among the people who now profess this stupified innocence there are many who more than passively or even enthusiastically accepted what happened. Together with this goes an either genuine or simulated ignorance of conditions in other countries by comparison with German conditions. Practically every German I talked to, when given some of these facts, admitted that ex-enemy countries deserved first consideration but I have not often heard this view put forward spontaneously. When faced with facts and arguments, most Germans would admit the reasons for the present condition of Germany, but this

pression that the most difficult problem is not the very young soldier, up to the early twenties, but the generation between 25 and 35. The very young often recognise that they have to make a new start and they feel young enough to do so. Those between 25 and 35 on the other hand have often, through the force of circumstances, developed into professional soldiers, with only a dim reminiscence of civilian life and they are feeling that they are too old to start again. I have spoken to several soldiers of 19 and 20 who frankly said they would have to start all over again, but several soldiers of 27 or 28 years of age could only talk about the soldierly qualities of the German. That particular generation which is rather too old to start again without serious handicap is too young to remember pre-Nazi days with any sense of attachment.

Any sense of responsibility which exists tends to be, at present, counter-balanced by two factors, both potentially dangerous. One is particularly noticeable in the case of returned soldiers. It is a consciousness of the supreme fighting qualities and bravery against odds of the German soldier and the feeling that he has succumbed to sheer superiority of material and men. As a returning soldier watches the relaxed and often undisciplined behaviour, in particular of many American and French soldiers, he feels further strengthened in this line of thought. The other factor is the feeling that the German is so much more industrious than most of the neighbouring peoples and therefore deserves a better fate. Both these thoughts, especially the latter because of their plausibility, easily lead to the superiority myth which has proved so fatal to Germans. One might have thought that the greatness of the catastrophe would have led to a thorough self-searching but I have found only isolated instances of this. The most fruitful source for reflection was usually the question how it came that Germany, with all these qualities, provoked twice in a generation an overwhelming combination of enemies.

It must however, be frankly stated that the reason for the apparent failure of the Allied attempt to convince the German people of their guilt has not to be solely sought in the Germans themselves. The sober fact must be stated that the attempt to make 70 million Germans feel all equally guilty for the war and its consequences has failed. It would be futile to discuss in this report why such an attempt was made and what its justification was. It is, however, of the greatest practical importance for the future to analyse the reasons for its failure. I should place first the psychological impossibility of implanting in a nation of many millions a lively sense of collective guilt. The object involved is too big and amorphous

sense of responsibility of the average citizen for the acts of this Government, ^{some} deplorably weak even in democracies, has been systematically dulled among Germans under the Nazi regime. Its re-awakening pre-supposes a thorough and prolonged process of education in democratic values.

The second no less important fact is that there is an important section of Germans which feels an acute sense of responsibility because of the terrible havoc brought upon the world by Nazi Germany. This section is centred mainly round the chief elements of the former Weimar parties / ^{from the left to the centre} that is in particular the Social Democratic element, the Christian element, some remnants of the liberal element and the Communist element. The leaders of these groups, in so far as they have not been killed have all gone through prolonged periods of persecution. As will be pointed out in the subsequent section, a re-organisation of these groups has taken place, in so far as it was not prohibited by Military Government, much more rapidly than might have been expected. It is not surprising however, that this section of the German population, while having an acute sense of responsibility on behalf of the German state and nation, does not feel an acute sense of personal guilt and bitterly resents attempts to make them feel equally guilty with Nazis and all. The failure to draw a distinction between the considerable minority who actively opposed the Nazis and suffered for it, and the rest has been all the more serious as it is from the leaders of this section that most of the new senior officials have been drawn. I have talked to many Military Government officials who feel the necessity and have themselves made an effort to treat these men, on whose active and whole-hearted support the success or failure of military Government depends, as allies rather than as enemies. A practical illustration of the way in which an active participation of the victims of the Nazi regime could have greatly contributed in sharpening the sense of responsibility of the German people was given to me by several of the new leading administrators, among them President Bergstrasser in Darmstadt. He said that the publicity campaign concerning concentration camps would have been infinitely more effective if spokesmen of the large proportion of German inmates of these camps could have broadcast to the German people side by side with the foreign victims.

In short, the failure to differentiate between the minority of the Germans who actively opposed the Nazi regime, the larger minority which actively supported

4. Personnel Policy

The dismissal of Nazi officials and functionaries, on the basis of extremely detailed questionnaires, has been one of the main pre-occupations of Military Government in the past few months. Together with the question of replacement it is perhaps the most important problem of all. Its significance is increased by the growth of the importance of the key official under Military Government. The Military Govt. officer deals in most cases only with the senior official, such as the Regierungspräsident or Oberbürgermeister responsible to him. In the absence of democratic control organs and of wider contacts between Military Government and the population, his knowledge of people and conditions is usually confined to this official. The questionnaires which in most cases compelled the dismissal of any Party member down to a fairly low grade created a serious dilemma in replacement. A gap between theory and practice has arisen in most cases. Military Government officers have retained objectionable officials because of their efficiency or lack of adequate replacements. In some cases which I have personally witnessed in the US Zone, the absurd result emerged that the lower officials were dismissed according to the Book but the senior officials were retained as being indispensable.

The importance of the choice of officials in the representative posts cannot be exaggerated. Not only is the new choice a symbol, in the eyes of the people of the new trend of things; I have also found again and again that with an outstanding anti-Nazi in a key position, the problem of house-cleaning becomes very much simpler. With his experience of the Nazi period and his inside knowledge of the personalities and the official machine, such a man will dismiss or retain officials in a less mechanical manner than any questionnaire must adopt.

The tendency of most Military Government officers has been to replace wherever possible the Number 1 official, who had to be dismissed, by No. 2 or No. 3 if there was some chance of doing so. The result is only too often the occupation of responsible positions by the very type of official who, in the best Civil Service tradition, is pliable and colourless though efficient. Among the numerous senior German officials whom I have interviewed in the course of the past few months, I only remember a few as being outstanding personalities as well as the type of men who could be trusted to rebuild, within their spheres, a different type of Germany. The first was the present Oberpräsident of Westphalia Amelnunxen, whom I interviewed at the

Goebbels, because, as Regierungspräsident of Münster, he had absolutely forbidden Hitler to speak in his district, this man had been in ^{complete retirement} for twelve years without being reduced in vigour or spirit. He was determined to effect the thorough house-cleaning in the province which he knew so well. The second was the Oberbürgermeister of Regensburg, Dr. Titze, probably now Regierungspräsident, a former police president of Königsberg who had been found in Bavaria as a fugitive from Berlin. Within a few days of his appointment he had issued an inspiring proclamation to the citizens of Regensburg, re-named streets after some prominent Nazi victims, and driven home to the people the terrible responsibilities left by the Nazi regime. He had called together a committee of citizens from all classes to advise in the main urgent tasks and he had gained the confidence of Military Government. A third is the president of the Regional Labour Office at Frankfurt, a veteran trade union leader and Social Democrat, Dr. Binder, a close associate of the murdered Leuschner. A fourth is the Regierungspräsident of Rheinhessen, Steffen, a former Social Democrat whose vigour was unimpaired by seven years concentration camp. It was characteristic that these men, far more than the host of officials with more dubious antecedents, did not wish to be mere tools of Military Govt. although they were very anxious to collaborate. It is usually the type of official who is most pliable, without strong convictions, who is most eager to please any master.

There are some further prominent names from pre-Nazi times among the new administrators with whom I had discussions such as Prof. Bergsträsser, now President of Land Hessen and Dr. Bredow, now Regierungspräsident of Wiesbaden. But it is only in the few cases where a good record and administrative ability were coupled with the gift of making a direct appeal to the ordinary people that one could feel real hope for a new departure in German public life.

Against these examples must be set a large number of new officials who, without any positive attributes have passed the non-Nazi qualification test of the allied security police. Sometimes it is a matter of accident whether they were subject to less pressure in regard to membership of the Party than their colleagues. Sometimes they have just been left in office or put into office by the responsible Military Government officer because of technical efficiency or indispensability.

The plain fact is that, while the detailed questionnaires about membership of the Party and affiliated organisations were indispensable as a first approach, they

publicity in the Bavarian press, is definitely an official of the Conservative and Nationalist outlook of the pre-1914 type, and his opinions about administrative and other problems are definitely based on the outlook of the Second Empire official. Although he lost his official position under the Nazis he held another important job until 1941. Again, the Regierende Bürgermeister of Bremen, Vagts, is a former member of the Deutschnationale Volkspartei the conservative nationalist party which allied itself with the Nazis before its dissolution. These examples can be multiplied, and difficulties are likely to increase with the reconstitution of political parties, which, in view of the past record of the German Reich, is almost certain to be limited to the parties from the left to the centre.

The problem is even more acute in regard to the de-Nazification of industry and business. I had an opportunity to study this problem at first-hand, because, during my journeys in Bavaria, the Military Government of Bavaria initiated a far-reaching policy of de-Nazification at the top levels of industry. It was comparatively easy to compose a list of some hundred or two hundred leading industrialists, whose direct or indirect associations with the Nazi regime were obvious. But it was universally recognized that, both from a practical and psychological point of view, de-Nazification is no less important at the intermediate levels. Managers, foremen etc. are the type of men who matter most to the ordinary employee. This, however, is a matter where Military Government cannot possibly proceed without the active collaboration of German anti-Nazi groups. In several meetings which I had with representatives of factories, municipal utilities and other works, I was told again and again that membership of the Party was by no means the sole reliable test. Many industrial leaders and managers in fact had been able to keep out of the Party, while having intimate connections with Party leaders and organisations and using the need for industrial production to the utmost effect. Often I have found that these men were hated by employees and workers even more than those who had at least openly identified themselves with the Nazi Party.

It became obvious - and in July directives were being worked out to that effect - that only by the reconstitution of democratic organisations representing employees and workers would it be possible to tackle the problem of de-Nazification of industry. This leads to the question of the revival of trade unions and works councils which will be dealt with in the next section. The whole problem of key personnel in administrative posts and other public positions will be dealt with in the next section.

PW Directorate attached to FID now is in a position to supply a very considerable number of men who, in positions suitable to their qualifications, would no doubt exercise great influence, especially on the younger generation. It is particularly important that the present key administration, mostly men over 60 should be strengthened by younger elements who have acquired their anti-Nazi outlook through their experience under the Nazi regime.

5. Revival of Trade Unions and other Democratic Economic Associations.

The decision just announced of allowing the re-constitution of free trade unions in the British and US Zones may lend additional interest to the studies which I was able to make on the Trade Union problem in a number of large towns, mainly in the South-Western Area.

Since "the formation of a democratic trade union movement and other formations of their economic associations provided they are not the agencies of Nazi groups" had been permitted by the Handbook for Military Government and this policy had been frequently announced by radio, numerous attempts were made in most towns to revive both trade unionism and, within the industrial plants, the works councils which had been a notable feature of pre-Nazi labour law and had been replaced under the Nazi regime by officially appointed and thoroughly nazified functionaries. It should be stressed at the outset that trade union (Gewerkschaft) and works council (Betriebsrat) present two different ideas under German labour law. The former is essentially as in Great Britain the organised representation of labour, according to trades, on a regional and national basis, mainly for the purposes of collective bargaining. As in most continental countries it has in the past been closely associated though not identical with certain political parties. The works council (Betriebsrat) on the other hand was designed to give the employees and workers of each plant a right of representation and a moderate participation in management. The confusion between these two ideas, on the part of some of the responsible officials, has certainly led to confusion, at least in the US Zone, though I observed a similar tendency in Westphalia. The result was, for a time, the encouragement of plant unionism, a form of unionism thoroughly discredited in Germany, as it had always been sponsored by the type of employer most hostile to trade unionism. It has also led directly to the labour conceptions of the Nazi regime, according to which the employee owes allegiance

both a re-constitution of works councils within the plants by a kind of informal election which has usually put the pre-Nazi trustees back in their old position, and the attempt to re-establish trade-unions on a local or regional basis.

Works councils have now been established in most plants throughout the US Zone. A few weeks ago regulations were issued for the regularisation of the election procedure and the exclusion of all those who, as active party members or by some other activity, supported the Nazi cause. It is intended that the works councils should play their part in the de-Nazification of industrial managements. Previous to these regulations, in some districts (e.g. Wiesbaden) a procedure had been adopted by which there was first a final purge of leading industrial personnel and then a further-purging by consultation between the new management and works councils. The great difficulty under which all works councils suffered up to the time of my departure was the uncertainty of their legal status. The question to what extent the former Betriebsrätegesetz should apply again is certainly a matter of some urgency.

As regards the re-constitution of trade unions I found that in every single town or region visited early attempts had been made to re-organise them, usually by the recognised leaders of the two main former trade union movements, the Social Democratic Trade Gewerkschaften and the Christliche Gewerkschaften (close to the Centre Party). In almost every town, whether Frankfurt, Nuremberg, Stuttgart, Offenbach, Bremen, etc., the developments had been substantially the same. Recognised leaders of the two trade unions of pre-Nazi days had approached Military Government with the request to permit the reconstitution of a trade union, on a local or regional basis. This trade union was to combine the former two movements. Particularly in order to avoid tension within the new movement and partly because of the then existing ban on political parties, the trade union was to be a purely economic association, divided into different branches according to trades and representing the interests of workers and employees for purposes of collective bargaining. The approved statutes invariably contained further clauses expressing the intention of the new movement to work for democratic ideals, for international understanding and social progress. In view of the Military Government ban, for the time being, on bargaining about hours of work and wages, safeguarding clauses were inserted. Membership was not compulsory, although

effect that the proposed trade union movement was the one organization recognized by the Military Government as it creates the impression of an official sponsored movement in the tradition of the Nazi Labour Front. Apart from this, the proposed trade union movements were entirely in accordance with the principles of the Handbook of the Military Government and of SHAEF. But surprisingly enough they were stopped practically everywhere in the US Zone, usually on the ground that they came under the ban against political activity. It was impossible to find out either in the field or at headquarters any reason or authority for this ban. It undoubtedly had a most unfortunate psychological effect, more marked because throughout the US and British Zones economic and industrial chambers, representing industry and business, quite often with very little change of personnel, had been reconstituted. Presumably all these movements will now be given official sanction after the recent proclamation by General Eisenhower and Field Marshall Montgomery.

From many conversations with trade unionists and other working-class people I became convinced that the principal task of trade unions is at present re-education at least as much as collective bargaining. As long as industrial activity is at such a low level and prices and wages are frozen, the scope of collective bargaining is limited and it is only in a few towns, with a high level of industrial activity such as Offenbach, that industrial bargaining and arbitration problems are already prominent. But the sponsors of the new combined trade union movement emphasized time and again that there was not at present any other organized democratic movement which was capable of initiating the prolonged process of re-education in democratic values, and of absorbing the large numbers of discharged young service men, who are coming out of the forces and are faced with a complete mental vacuum. With the lifting of the ban on political parties the trade union movement may no longer be the sole organized democratic force in Germany, but it is likely to remain a predominant force for some time to come especially if it succeeds in maintaining the unity between the Social Democratic, Communist and Christian sections which it aims to achieve.

6. Political Cross-currents

During the ban on political activities it was obvious that developments of political opinion could be followed only in a somewhat tentative and haphazard manner. Two facts, however, were plainly apparent. Firstly, there was among the

Catholics, corresponding to three former political parties. Less definite was the formation of a liberal democratic party, since the liberal middle class has almost completely disintegrated, first in the years of crisis preceding the Nazi regime, then during the Nazi regime and lastly under the impact of war which has largely destroyed middle class existence. It is, however, too early to say whether any noteworthy liberal movement will re-constitute itself in Germany.

The second fact is that the prolonged ban on political activities has undoubtedly greatly favoured the communist movement at the expense of the other anti-Nazi movements. Again and again leaders of the more moderate movements of the left and centre asked for permission to work in the open since it was their tradition to work by constitutional and democratic methods whereas the communist movement is everywhere better trained and prepared for underground work.

As regards collaboration between the communist and the other anti-Nazi movements my impressions differed. In many cases I found the suspicion between Social Democrats and Communists as strong as ever. In the trade union movement, however, no major difference was at present discernible. The Communist wing in the trade union movement had always been a relatively small one, and in the new movement the leaders representing the former free and christian trade union movements were confident of satisfactory collaboration with the communist element. I cannot, however, say from personal knowledge what the present position is in industrial districts with strong communist elements such as the Ruhr district or Hamburg. An alarming situation existed in Offenbach, a town which, largely because of allied leather goods demands, has a high level of industrial activity and was always a stronghold of the Socialist and Communist parties. In that town an energetic communist organiser had first taken charge by permission of the first S.C. Officer and had probably over-stepped the mark on one or two occasions. The new IG officer sponsored the strongly conservative Oberbürgermeister who, under the cover of "non-political expert assistance" had constituted an advisory council in which managers, bankers, doctors, lawyers and shop-keepers had a great majority. It was obvious that the composition of the administration was clearly at variance with the social and political situation in the town, in particular as the trade union had not been allowed to proceed. The situation in Offenbach clearly illustrates the advantages of allowing some political activities

and democratic elections at the earliest possible moment. At present it is certainly possible for a skillful Oberbürgermeister, who has the ear of the Military Government, to govern the community with little regard to the state of public and political opinion.

7. The Educational Vacuum

Outside the economic question, the most serious problem in Germany today is the complete absence of educational centres to take the place of Nazi education, in particular for the benefit of the younger men returning from the forces. Prisoners of war in Britain are at present very much better off in this respect than people in Germany. For the coming autumn little more is intended than the re-opening of the four lowest forms of elementary schools. Even if all elementary schools are re-opened, this would not even begin to solve the wider problem of re-education. Clearly the re-opening of secondary schools, of universities and of adult educational centres offers great problems of staffing. It would, however, be extremely dangerous to postpone any educational activity until such time as higher schools and universities may be re-opened. In the report on administrative re-organisation in Westphalia, written in May, I stated that it would have been possible even then to establish educational centres where lectures and discussions could be held on a variety of important subjects. In many centres there were sufficient people available to help on a voluntary basis. The only objection against such centres was the scarcity of allied supervisory personnel and in particular the ban on meetings. Now that political parties will be permitted, there seems no reason why such educational centres should not be started as soon as possible. It would be difficult to exaggerate the extreme dangers of an educational vacuum during the coming winter.

8. De-centralisation and Regionalism

As I was principally concerned with administrative problems I became particularly familiar with the ^{conditions} and policies in regional administration. The allied object is far-reaching de-centralisation on regional lines without an actual splitting-up of Germany. There is no doubt that in the whole western and southern region of Germany there is a greater readiness for regional autonomy than for many years past except possibly for the period immediately after the last war. It is therefore particularly important that regional

of the Rheinprovinz, form suitable regional units. Difficulties arise in regard to some small Länder in the British zone, such as Oldenburg, Braunschweig, the two Lippe and Bremen. The problems of Bremen are caused by the difficulties stated in the report on the Bremen Enclave. For the other Länder special governments have been formed, and the curious situation seems to exist that these Länder are administered as independent units on the German side, while their Military Governments are responsible to the Military Governments of Westphalia and Hannover. The difficulties are much more serious in the US Zone. The cutting into half of both Baden and Württemberg, two of the most satisfactory Länder of Germany, which also form suitable regional administrative units, will no doubt create grave political problems, especially in view of the difference in the standard of living which undoubtedly exists between the US and the French zones. The division of Germany into separate national zones of occupation is likely to be a continuing source of difficulties unless economic and political standards are much more closely adjusted than at present. A conspicuously dangerous example of piece-meal administration, which is apt to destroy healthy regionalism and is likely to stimulate a new longing for the former days of unity, is the Hessen area. In that area it has been decided that the pieces of the former Land Hessen which remained after the transfer of the part left of the Rhine to the French should again form one Land, the provinces of Nassau and Kurhessen forming another Land. As pointed out in the report on administration in Hessen, the administrative chaos produced by this decision is very great, although it has now been decided to create at least a unified labour and economic administration for the whole region. Every executive official in the Hessen area, all of them men with a clear anti-Nazi record complained bitterly about the difficulties created by such decisions. They strongly felt that regional decentralisation could not be based on the dynastic divisions of former centuries and must correspond to ethnological, economic and other relevant factors.

9. The Potsdam Declaration and the Situation in Germany

It may be apposite to estimate the likely effect of the Potsdam Declaration

local to the regional level will greatly encourage those elements on whose sincere collaboration the success of the control of Germany mainly depends. So far allied pronouncements have been purely negative in character, and this is the first indication of the kind of society which may take the place of the Nazi society.

It would, however, be dangerous to overlook that the vast majority of Germans will be much more concerned with the necessities of life and the elementary conditions of economic existence. Here two uncertain factors present themselves. The first question is the practical interpretation of the de-militarisation of German industry. The question, the answer to which has so far been postponed, is whether German industrial life should be resumed as far as physically possible and subject to strict control over any war potential, or whether it should be eliminated, except for certain specified categories of industry. In the US Zone, the question has so far been answered in the latter sense, but owing to the state of industry and the absence of most of the male working population, it was not yet possible to estimate the effect of such a policy upon employment. Assuming, however, that by an intensification of agriculture and a considerable transfer of town populations to the land, coupled with a moderate revival of industrial activity, it would be possible to secure a low but tolerable standard of living, the question remains of the absorption of the German populations removed from Poland, Czechoslovakia and Hungary. A conservative estimate is in the neighbourhood of ten million people, although possibly five million of these had already migrated from the East in December to January 1945, and a majority of these would no doubt remain in the Russian zone.

Two problems arise. Firstly, it is very unlikely that such a number could be absorbed, even over a space of many years without starvation on a large scale. If therefore, expulsions should continue at the present rate this matter is going to override any pre-occupation with the revival of democracy in any area where the refugees are concentrated. Secondly there is the danger of a revival of militant nationalism as a consequence of these expulsions. The concentration of millions of uprooted and homeless Germans, living under extreme hardship and brought into Germany for racial reasons, is likely to stimulate a feeling of ~~national isolation~~ national isolation.