ON THE QUESTION OF GERMANY

Soviet statements by

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at the Council of Foreign Ministers

London, November 26, 1947

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at the Allied Control Council

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Statement by V. M. Molotov  
At the Council of Foreign Ministers

We have decided to examine six questions, which we have placed on our agenda. They include questions concerning Germany and the Austrian treaty. These questions are not of equal importance. The Soviet delegation proposes that first place on the conference agenda should be taken by the question of the preparation of the peace treaty with Germany. Since it has become clear that there are objections to this, I shall expound our reasons in more detail.

The Soviet Government is of the opinion that the preparation of the peace treaty with Germany must not be postponed any longer. Suffice it to say that more than two and a half years have passed since Germany’s capitulation, and yet the question has not progressed at all.

We have spent a lot of time on preparing the five peace treaties with Germany’s former allies. That work was eventually completed, in the main successfully. The peace treaties with Italy, Romania, Bulgaria, Hungary and Finland have already come into force. Perspectives of peaceful development have already opened up before the peoples of these countries, which is in accordance not only with the aspirations of these peoples themselves, but with the interests of the establishment of lasting peace in Europe.

Now the time has come to decide the question of the peace settlement for Germany. Nobody would understand it if the Council of Ministers postponed the decision of this question and put it down among the secondary matters for our conference.

At the same time, we must also decide the Austrian question. That also is one of the tasks of the present session of the Foreign Ministers’ Council.
We have decided to consider at this session a number of questions relating to Germany. They include important questions of a current nature. They must be given serious attention. But the basic question for Germany is the question of the peace treaty. Up to the present it has been difficult to engage in the preparation of this treaty, since the Council was busy with a number of other urgent matters. But, on the other hand, the pigeon-holing of this question is no longer permissible.

The question of the peace treaty with Germany is, as we all know, a question of the fate of Germany and at the same time a question of the complete establishment of peace in Europe. This peace treaty is needed not only by Germany. It is needed by all the peoples of Europe, and not only of Europe. Can one deny that the peoples of Europe want firm peace at long last to be established throughout Europe? And that is fully understandable, since without the establishment of complete peace in Europe there cannot be lasting universal peace.

Of course, the question of the peace settlement for Germany is not a simple one, and during the examination of this question there may be this or that difference of opinion between us. But a postponement of the question will certainly not improve the situation.

Today, in the postwar period, as is well known, differences frequently arise on one or another question of international significance between the Soviet Union and the democratic countries friendly to it on the one hand, and the United States and certain Western European countries on the other. In this respect there is a big difference between what happened during the war and what has happened since the end of the war. How are these present differences to be explained? What is their basis?

During the Second World War, Great Britain, the United States of America, the Soviet Union and other democratic countries created the anti-Hitler coalition and together waged a war of liberation against the camp of fascist states, which aimed at world domination and the establishment of the fascist system throughout the world. This struggle united them and made it possible successfully to solve many complex problems of international significance. It is enough to point to such facts as the conferences of the three Allied powers at Teheran, Yalta and
Potsdam, the famous decisions of which went down in the history of the peoples as an important contribution.

The situation changed after the end of the Second World War, when it became clear that in the question of the establishment of the postwar peace the previous partners in the anti-fascist coalition had different aims.

It then became clear that some countries were striving for a democratic peace—a peace based on the equality of the peoples and the recognition of the sovereignty of large and small states. Such a peace would make it possible to develop peaceful cooperation among countries, despite differences of social system and ideology. The establishment of a democratic peace also means that the vanquished countries, too, have the right to free democratic development, as well as to the full restoration of their independence.

It also became clear that other countries were striving for the establishment, not of a democratic but of an imperialist peace, the establishment of which would mean the domination of certain strong powers over other nations, large and small, without consideration for their rights and national sovereignty.

It is not difficult to understand that the establishment of an imperialist peace inevitably leads to the division of countries into two categories: dominating powers on the one hand, and subject and enslaved countries on the other; and that in turn leads to new international conflicts and wars, which harbor the danger of a third world war.

The striving for the establishment of an imperialist peace, of course, could not but meet with resistance on the part of many democratic countries. I do not hide the fact that the Soviet Union stands fully on the side of those who strive for the establishment of a democratic peace, and fights against any imperialist peace being foisted on the peoples. An imperialist peace cannot be lasting. Only a peace which rests on democratic foundations can be lasting.

From this it is seen wherein lie the divergencies between yesterday's allies. And this relates also to the question of the peace settlement for Germany.

The peace treaty with Germany must determine the fate of Germany for a long period. Naturally the question arises as to
whether this treaty will be based on the principles of a democratic peace or of an imperialist peace.

For the Soviet Union, which is pursuing the Leninist-Stalinist policy of peace, the answer to this question is clear. The answer can only be: The peace treaty with Germany must be based on the principles of a democratic peace, and must assist the economic restoration of Germany and its future restoration as an independent democratic state.

In short, the peace treaty with Germany must be founded on those principles which formed the basis of the Yalta and Potsdam Conference decisions of the Allied powers on the question of Germany. On the basis of these decisions we must ensure the demilitarization and democratization of Germany and, at the same time, the fulfilment by Germany of her obligations to those countries which suffered from the Hitlerite aggression.

A peace treaty drafted on this basis will make it possible for Germany herself, after overcoming the present difficulties, firmly to enter the path of economic restoration and of the development of Germany as a democratic, peace-loving state. The four powers who control present-day Germany bear the main responsibility for the correct solution of these problems, which are of great importance for the peoples of the whole world.

There is, evidently, also another plan in relation to Germany which aims at preventing economic restoration for fear that Germany might become a rival in the European and world market. This plan accords with the policy which aims at the economic weakening of Germany and at destroying Germany as a single state, although this may not be openly stated.

In such an event, there will be an attempt to use Germany by those powers which need one or another piece of German territory as a base for the development, in the first place, of a war industry, and which want to use the reactionary forces of Germany as a support for a policy which aims at the domination of the democratic countries of Europe and against the development of the democratic movement in the European countries liberated from fascism.

It is clear that in this case, too, this policy expresses the striving to establish an imperialist peace. This is a dangerous plan from the viewpoint of democracy and peace in Europe. This plan,
directed against the restoration of Germany as a single democratic state, and against the vital interests of the German people, can only assist the reactionary German revanchists, who are prepared to take hold of the idea of the unification of Germany and exploit it for their revanchist aims, dreaming of the restoration of an aggressive imperialist Germany.

Among the democratic countries there ought not to be any supporters for such a plan for Germany. Among the democratic countries, moreover, there ought not to be any supporters of a plan which would mean an attempt to exploit one or another part of Germany as a military or war-industrial base for some future military adventure in Europe, or as support for the reactionary forces of Europe against the progressive and democratic forces in Germany and in other European countries.

Only the supporters of an imperialist peace can support the implementation of such a plan in relation to Germany, which, however, cannot but meet with resistance on the part of many democratic countries. Among the consistent opponents of this plan for Germany, naturally, is the Soviet Union, which has always undeviatingly defended, and will continue to defend, the interests of the establishment of a democratic peace in Europe and beyond the bounds of Europe.

In preparing the peace treaty with Germany we have to decide first of all two main questions. The drafting of the peace treaty with Germany will be successful if a correct decision is made, first, on the question of an all-German democratic government, and second, on the question of the future peace conference for the examination of this treaty.

Of course, there are also other questions in connection with the drafting of the peace treaty. But the aforementioned two main questions are of decisive importance.

We have also a basis on which these questions should be decided.

The Potsdam Conference said outright, when the Council of Foreign Ministers was set up, that “the Council shall be utilized for the preparation of a peace settlement for Germany, a corresponding document to be accepted by the government of Germany when a government adequate for the purpose is established.” This decision of the Potsdam Conference must be implemented.
The question of the formation of an all-German democratic government cannot be postponed any longer. Such a postponement would not only harm the German people, but also the other peoples of Europe, who are interested in the speedy establishment of lasting peace in Europe.

As far as the peace conference is concerned, we ought now to agree on the composition of its participants. Last year at the New York session of the Council of Foreign Ministers we laid down unanimously which countries should be drawn into preliminary consultations in the drafting of the peace treaty with Germany. It was then decided that, besides the five great powers, the Allied states neighboring on Germany, as well as other Allied states which had taken part in the war against Germany with their armed forces, should be invited to the consultations.

After that, proposals came up which are in complete contradiction to this decision taken by the Council of Ministers in New York. If we do not wish to disrupt what has been agreed upon among us, then we must abide by the aforementioned New York decision. And then it will not be difficult to decide the question of participation in the consultations for the drafting of the peace treaty, or the question of the composition of the peace conference itself.

All other questions concerning the drafting of the peace treaty could be decided without great delay if the aforementioned two main questions were decided, while without their solution it is impossible to complete the drafting of the peace treaty with Germany.

All I have said has had the purpose, first, of showing the importance of the decision we took yesterday to discuss the question of the peace treaty with Germany, and second, of drawing the Council’s attention to the main questions arising in connection therewith. In view of the importance of the matter, the Soviet delegation insists that this question be examined first of all the questions concerning Germany.

I remind you that as far back as April, 1946, the Government of the United States of America insisted on the speedy drafting of the peace treaty with Germany. The British and French delegations also supported this proposal.

At that time, however, it was impossible to do this, since all
attention was concentrated on the drafting of the first five peace treaties. But now, at the end of 1947, we have every possibility directly to take up the preparation of the peace treaty with Germany and not to postpone this important matter any longer under various pretexts.

The Soviet Government believes it necessary to speed the drafting of the peace treaty with Germany and proposes to place this question before any other question at the present session of the Council. We proceed from the fact that it is not only the Soviet Union which is interested in speeding the establishment of peace throughout Europe. Of course, the other peoples of Europe, and not only of Europe, are also interested in this.

All this gives me grounds to hope that our proposal will be supported by the other delegations.
Gentlemen!

Last April the Council of Foreign Ministers, after discussing in Moscow the report of the Control Council, authorized the Control Council to effect a number of urgent measures in Germany as regards both demilitarization and denazification and democratization, as well as in regard to displaced persons. At the same time, materials of the Council of Ministers pertaining to economic and other important problems of Allied policy in Germany were placed at the disposal of the Control Council for information and study.

Last October the Soviet command proposed in the Coordination Committee to compile a joint report to the Council of Ministers on the fulfillment by the Control Council of the decisions of the Moscow session of the Council of Ministers. This proposal did not meet with due support on the part of the other members of the Coordination Committee. Nevertheless, this question has been raised this November by both the Soviet and the French delegations at the meeting of the Deputy Foreign Ministers in London. The Council of Ministers is undoubtedly interested in having a report from the Control Council on the state of affairs in Germany.

Of importance first and foremost is the practical fulfillment by the control authorities in Germany of the decisions of the Allied powers and of the decisions of the Control Council itself with regard to the cardinal problems of Allied policy in Germany. In connection with this I wish to draw the attention of the members of the Control Council to the following important circumstances.
Demilitarization of Germany Is Not Carried Out

The peoples of our countries cannot fail to be interested in the practical implementation of the most important task of demilitarizing Germany on Germany's territory.

As far back as 1945 the German armed forces and semi-military organizations were completely eliminated in the Soviet occupation zone. All military objects and installations were also destroyed in the main. The quadrilateral commission for the supervision of the dismantling of war plants which twice this year investigated the Soviet zone arrived at the conclusion that in the Soviet zone “dismantling of war plants was being carried out perfectly satisfactorily” and that “the degree to which the inspected plants had been dismantled was high.”

As regards the western zones of occupation of Germany, there has been practically no progress at all as regards demilitarization in these zones during the past half year, although it is evident from the report of the Control Council to the Council of Foreign Ministers in March, 1947, that the situation in this matter was unsatisfactory even then.

To this day remnants of military formations of the former German army are being preserved in the British occupation zone under the guise of so-called “labor groups” or service units headed by German officers.

Mr. Bevin, Foreign Secretary of Great Britain, declared at the Council of Foreign Ministers in Moscow that the British Government intended by December 31, 1947, to replace in the main “the Germans in the ‘labor groups’ with hired workers from among the civilian population.” Nevertheless, on August 31 of this year the British representative on the Joint Military Directorate of the Control Council declared that he would inform the directorate only toward the end of 1947 as to when the personnel of the former German armed forces of whom the “labor groups” are complemented would be disbanded.

German youth are undergoing military training under American instructors in various sport organizations in the American zone. This is done in spite of the fact that such military training
of German youth is prohibited by a special decision of the Control Council.

Elimination of military objects and installations in Western Germany is proceeding slowly. The report of the British command of June 1, 1947, alleged that there were only two naval bases (Heligoland and Wilhelmshaven) in the British zone subject to demilitarization. Actually there is a much greater number of naval bases in the British zone, including the world-famous base in Kiel.

It is known that the German navy has been prohibited and has ceased to exist according to a decision of the Berlin Conference. For what purpose is the British military command saving the German naval bases which it strives to protect from demilitarization?

Last March the Council of Foreign Ministers authorized the Control Council to complete by June 30, 1948, the dismantling of German ordnance, aircraft, tank and other war plants of the first category which had been specially built for the production of armaments.

In June of this year the quadrilateral commission for supervising progress in the dismantling of war plants went on record that "little progress was made in the dismantling of the inspected plants" in the British zone and that in the American zone the progress made in dismantling war plants was "slight as compared with the plans for dismantling." Thus there was no improvement in the situation in June as compared with the unsatisfactory situation in January of 1947.

The Council of Foreign Ministers authorized the Control Council to prepare by July 1, 1947, a plan for dismantling war plants of the first category. This decision has not been fulfilled to this day.

For the American zone the Coordination Committee confirmed a plan for dismantling only 52 war plants, whereas according to far from complete data of the American authorities no fewer than 120 war plants of the first category are subject to dismantling in that zone.

For the British zone a plan for dismantling 139 plants has been confirmed, although according to far from complete data
of the British authorities no fewer than 284 war plants are subject
to dismantling in their zone.

On the pretext of the need of developing peacetime economy
the American and British delegations in the organs of the Control
Council violate directive No. 39 of the Control Council signed
and approved by themselves. For example, they advocate the
preservation of some of the biggest war plants with their trem-
 mendous underground departments and hangars intact.

The plant in Augsburg which produced Messerschmitt war
planes, employing 21,000 workers, is preserved, for instance, on
the pretext that it is absolutely indispensable for the manufacture
of milk cans and kitchen utensils. For this purpose half of the
equipment has been left at this plant while the other half has
been rented to the Germans. At the Bayerische Motorenwerke,
an aircraft engine plant in Munich, the underground reinforced
concrete tunnels for the delivery of the engines, underground
gasoline tanks and five reinforced concrete testing stations have
been left intact.

When drafting plans for the dismantling of war plants of
the first category, the British command arbitrarily deleted 86 war
plants in the British zone from the list previously approved by
the Control Council. When the Soviet representative on the
Economic Directorate objected to this, the British representative
declared that he could “not accept the view that plans for dis-
mantling war plants required quadrilateral approval,” inasmuch
as he alleged this constituted the prerogative of the commanders
of the respective zones. This statement, contradicting the de-
cisions of the Control Council, was supported by the American
representative.

Among the war plants deleted by the British military author-
ities from the list are such enterprises as the Friedrich Krupp
Stahlbau, which before and during the war manufactured sub-
marine hulls; the Rheinmetall Borsig plant, which manufactured
gun barrels; the Norddeutsche Dornierwerke, which produced
parts for war planes, and others.

At the same time, the lists of plants earmarked by the Amer-
ican and British authorities for dismantling contain mainly such
as do not rate among the major establishments, and, furthermore,
in the American zone such enterprises as an automobile repair
shop, a stockyard office, a street traffic control point, a snowplow repair shop and the like have been classified as war plants. The American authorities submitted to the Control Council protocols concerning the dismantling of 66 such "enterprises" classified by them as war plants without sufficient grounds.

On the other hand, the American authorities failed to classify as first category war plants such major enterprises manufacturing war planes and tanks as the Robert Bosch plant in Stuttgart, the Messerschmitt works in Lenheim and Leinfeld, the aircraft engine and rocket engine BMW factories in Augsburg, Regensburg and Kempten (Bavaria), the ammunition works in Arendorf, and others.

All these facts indicate that the American and British occupation authorities are sabotaging the dismantling of war plants in their zones of occupation.

The question arises as to the purpose pursued by the American and British military authorities in retarding the demilitarization of the British and American occupation zones in Germany.

Why do they desire to preserve in their zones remnants of the German army, the officer corps, war industry and bases for the navy?

Sabotage of demilitarization and preservation of the war potential in both the British and American zones could have no other purpose than to convert these zones into a military base of Anglo-American imperialism in the heart of Europe.

With a view to the impermissibility of utilizing German industry for military purposes, the Potsdam Conference plainly envisaged the need to destroy excessive concentration of economic power in Germany, particularly represented in the shape of cartels, syndicates, trusts and other monopolistic agreements. In November, 1945, the Control Council issued Law No. 9 on the liquidation of the huge I. G. Farbenindustrie concern which, it would seem, should have signified the beginning of similar measures with regard to all the other German monopolies.

To this day, however, implementation of this law in the British, American and French zones in Germany has been purely formal, while measures for the liquidation of this concern, which were envisaged by law, have not been realized. On the other hand, the law issued by the Control Council for all of Germany on
decartelization is thwarted as a result of direct and indirect attempts of the British command to render the law on decartelization not binding for the commanders of the zones. At the same time, zonal laws on decartelization actually reducing this process to the examination of German monopolies have been issued in the British, American and French zones, and these laws are not supplemented with lists of the monopolies due to be liquidated, and leave it to the discretion of the commanders of the zones to make exemptions with regard to decartelization of monopolies without establishing any time limits for the destruction of excessive concentration of economic power.

In carrying out the so-called "decentralization" of concerns in the British and American zones, new joint stock companies are set up with former owners of German monopolies and former organizers of Nazi war economy occupying leading positions. Thus, for instance, the Huettenwerke Heisweit A. G. Company, which branched off from the major German concern Vereinigte Stahlwerke (steel trust), continues to be headed by the former general director of this concern, Karl Grosse, member of 13 supervisory councils of West German heavy industry under the Nazi regime; Herman Wenzel, former vice-president of the board of this concern and one of the fuehrers of German war economy, and others. At the same time, the body which exercises control over the iron and steel industries in the British zone continues to be headed by Dinkelbach, who was director of the steel trust under the Nazi regime.

All this leads to the actual preservation of the German monopolies and this constitutes a threat to the future peace and security of the nations.

Pursuing in this manner a policy of preserving Germany's industrial war potential, the British and American occupation authorities are at the same time sabotaging the realization of agreed decisions of the Allied powers on the compensation by Germany for the damage inflicted on the countries which suffered from Hitlerite aggression, namely, Yugoslavia, France, Albania, Czechoslovakia, Norway, Belgium, Holland, Egypt, Denmark, Greece, India, Luxembourg, New Zealand, the Union of South Africa, Canada and Australia. The Control Council had the clear-cut decisions of the Yalta and Potsdam conferences on this question:
Specifically, the Control Council was obligated to draw up a single plan for the removal on account of reparations from the three western zones of capital industrial equipment which was not indispensable for German peace economy and which was to be transferred to the countries which suffered from German aggression.

It cannot be said that the Control Council did not adopt any decisions on this question. Such decisions were adopted but they were not carried out. New decisions, confirming the previous ones, were adopted, but they too have to all intents and purposes not been carried out. For example, in March, 1946, the Control Council approved a plan for the economic level of and reparations from Germany, and instructed the Economic Directorate to draw up lists of plants subject to removal on account of reparations. One month later, however, General Clay issued unlawful instructions to discontinue reparations deliveries of equipment from the American zone. In this manner all further work of the Control Council on reparations lost its practical meaning and became pointless. The commanders of the British, American and French zones submitted to the Control Council long lists of plants designated by them to be handed over on account of reparations to the countries which suffered from Hitlerite aggression. These lists were endorsed by the Coordination Committee and sent to the Economic Directorate for assessment of the plants listed. In the course of their work, however, the quadrilateral commissions found that the equipment of a number of plants had been removed by the occupation authorities or pillaged. Later on, the lists of plants were arbitrarily altered by the British, American and French commands, some plants being substituted for others, while actually no reparations removals were effected in accordance with the decisions of the Potsdam Conference with the exception of miscellaneous equipment from some war plants. Lastly, when as a result of nearly two years' work by the quadrilateral commissions, a single reparations plan was almost completed by the Control Council in August of this year, the American and British delegations upset all this work by declaring their refusal in general to continue drawing up lists of plants for reparations on a quadrilateral basis, and their intention to settle the reparations questions outside of the Control Council by means of bilateral agreement between
the commanders of the British and American occupation zones.

New reparations lists, containing 681 instead of 1,977 enterprises previously submitted by the American and British authorities as subject to removal on account of reparations, were compiled by the British and American authorities, again over the head of the Control Council, and published on October 16 of this year. These lists consisted mainly of small, second-rate units of peaceful industries as, for instance, soap factories, which had not figured on the previous Anglo-American lists. On the other hand, many enterprises, important from the standpoint of eliminating Germany's war economy potential, were arbitrarily deleted from the lists, as we have already mentioned above in speaking of demilitarization.

In practice, only 36 plants have been completely dismantled in all the three western zones in the more than two years that have elapsed since the Potsdam Conference, although the British, American and French occupation authorities had previously included 1,977 enterprises in the reparations list of the Control Council.

The arbitrary actions of the British and American occupation authorities have thus resulted in a situation in which all the countries which suffered damage from German aggression have been deprived of their legitimate share of reparations. The Inter-Allied Reparations Agency consisting of Yugoslavia, France, Albania, Czechoslovakia, Norway, Belgium, Holland, Egypt, Denmark, Greece, India, Luxembourg, New Zealand, the Union of South Africa, Canada and Australia was doomed to idleness. The legitimate rights of the Soviet Union to reparations from the western zones of Germany, recognized by the American and British governments at the Yalta and Potsdam conferences, have been grossly violated, as have the legitimate rights of Poland.

If the decisions on reparations have not been fulfilled in the western zones, it is not because industry there has been utilized for peaceful purposes. During the more than two years of occupation, the equipment of plants designated by the British and American authorities as reparations stood idle. As a result of physical wear and tear and obsolescence this equipment lost its value. In this way the American and British authorities, on the one hand, denied the countries which suffered from German aggression the reparations due them in the shape of industrial equip-
ment and thereby retarded the rehabilitation of the economies of these countries. On the other hand, they created conditions preventing the utilization of this equipment for German peacetime industry. The equipment of the plants and factories was neglected and spoiled and it lost its value.

At the same time, the American, French and British occupation authorities in Germany have been actually making removals from German economy in the shape of equipment and commodities. Furthermore, while opposing reparations deliveries of goods envisaged by the decisions of the Yalta and Potsdam conferences to countries which suffered from the German invasion, the American and British authorities receive a vast amount of invisible reparations in the shape of exports, by removing at low prices German industrial production and realizing it on the world market at high prices.

Such violations of agreed decisions were bound to hinder the work of the Control Council. May we ask who gave the British, American and French authorities the right arbitrarily to violate the decision on reparations from Germany to the 16 countries listed above, and also to the Soviet Union? Is it not clear that the satisfactory quadrilateral settlement of the reparations question constitutes one of the most important conditions for the solution of problems pertaining to Germany and to other countries of Europe and of the whole world?

This is how matters stand in the British and American zones with regard to the realization of the decisions of the Allied powers on the elimination of Germany’s war industry potential and the payment of reparations. The situation with regard to the eradication of militarist ideology is no better.

In its decisions, the Potsdam Conference emphasized the need to “prevent in Germany all Nazi and militarist activity or propaganda.” Actually, however, intensive propaganda for a new war is being waged in the American and British occupation zones and in the respective sectors of Berlin, with the encouragement of the American and British authorities.

The German press controlled by the American and British authorities is seeking to convince the Germans of the inevitability of a new war and the advantages of the atomic weapon (Die Neue Zeitung, Der Tagesspiegel, Telegraph, and others).
The publication of articles and statements hostile to the Soviet Union has become the systematic occupation of these German newspapers of Goebbels tendencies which now enjoy the patronage of high-ranking persons.

It is known, however, that criminal war propaganda, in particular that waged under slogans of the "anti-Communist crusade" which is known to be inspired by the American military administration, fails to meet with support among the overwhelming majority of the German people. The German people, no less than other nations, are interested in preserving a lasting peace in Europe.

But the dissemination of rumors about a new war and the unrest caused by such rumors among the German population undoubtedly tend to retard the rehabilitation of German peacetime economy and to hamper the elimination of material need and economic difficulties in Germany.

The Control Council is in duty bound to put a complete stop to the propaganda of a new war and any other militarist and chauvinist agitation in Germany, and to curb the propagandists of a new war by severe penalties. This is essential not only in the interests of the peoples of the Allied countries but also in the interests of the German people who desire peacefully to rehabilitate their civilian economy and who do not wish to serve as pawns in the hands of the warmongers.

II

Decision on Democratization of Germany Sabotaged

In order to prevent the resurgence of Germany as a war threat to the world and to prepare for the eventual peaceful cooperation of Germany in international affairs, the Potsdam Conference outlined for the Control Council an extensive program providing for the denazification and democratization of Germany.

With a view to denazification the Control Council adopted a number of decisions, the implementation of which fully guarantees the solution of this task. But already last January, when the Control Council was preparing its report on this question, the Soviet representatives were obliged to go on record concerning the non-fulfillment of the decisions on denazification in the British,
French and American zones. They cited numerous facts indicating that instead of holding actual fascist criminals strictly responsible, the occupation authorities in these zones had taken the path of formal examination of the records pertaining to former members of the Nazi party and its subdivisions, while the denazification commissions to all intents and purposes became commissions for the exoneration of criminal elements. The courts and the prosecutor’s office, as well as leading links in industry and agriculture, proved to be particularly infested with active fascist elements. The British, American and French representatives denied that serious shortcomings in the field of denazification really existed as pointed out by the Soviet representatives, although they were unable to refute the facts that were widely known to the entire German public.

In April last, the Council of Foreign Ministers passed decisions instructing the Control Council to improve the work of denazification. These decisions, however, are not being carried out and no change for the better has taken place.

I shall cite only one example. The Council of Foreign Ministers instructed the commanders of the zones to take necessary steps to issue German laws on denazification that would comply with the directives of the Control Council. Following this decision, the German authorities in South Baden in the French zone of occupation promulgated a law on denazification. But this law did not provide for holding responsible fascist criminals for such grave crimes as participation in massacring, torturing and other atrocities in concentration and labor camps; violation of international law in the treatment of foreign nationals and prisoners of war in occupied territories; gross violations of laws, pillaging, deportations and other outrages, including those perpetrated against participants in the resistance movement, and also crimes against victims or opponents of Nazism. This was done notwithstanding certain directives of the Control Council which specifically envisaged responsibility for such crimes. This shows how arrogant the fascist elements in the French zone have become.

In order to obtain a clear idea of how denazification has been conducted throughout Germany, the Soviet command suggested to the Control Council organs that they conduct in all four zones a quadrilateral check-up of the fulfillment of the decisions on
denazification, particularly with regard to the dismissal of former active Nazis and militarists from important positions. This proposal has not been approved to this day. The American representative on the directorate for internal affairs declared that he could not consent to a check-up by the above four-power commission of the implementation of the decisions regarding the dismissal of active Nazis and militarists from important positions inasmuch as this process, he claimed, had been accomplished in the American zone. If, however, the denazification process had indeed been accomplished there, the American authorities should have nothing to fear from an investigation by a four-power commission. The British and French representatives likewise objected to the establishment of a quadrilateral commission, failing, however, to substantiate their objections to the Soviet proposal. Yet it is clear that only after having verified the degree of implementation of the common decisions on denazification in all zones would the Control Council be able to adopt decisions on further measures in this respect. The attempts of the British, American and French authorities to evade a quadrilateral check-up of the execution of the Control Council's decisions regarding denazification clearly indicate that these decisions are being violated in the western zones. Fascist criminals are going unpunished and these violations are shielded and encouraged by the occupation authorities. Nevertheless, the Soviet command believes that the Control Council must organize such a check-up and thus remove all misunderstanding.

According to the Potsdam decisions, all democratic parties should be licensed and encouraged throughout Germany and granted the right of assembly and public discussion.

This decision too is not being carried out. Because of objections raised by the French command last March, the Control Council was unable to grant the Liberal Democratic Party's request for fusion on an all-German scale under the name of the Democratic Party of Germany.

The British delegation in the Control Council has also recently come out openly against the fusion of parties on an all-German scale, declaring in the political directorate that the British delegation "cannot give its consent to such a significant step, which would lead to the political unification of Germany,
unless it was attended by significant achievements in economic unification, in the complete removal of inter-zonal barriers and restrictions of movement” (see minutes of Coordination Committee meeting of September 14, 1947). Clearly these reservations made by the British delegation represent in practice an open renunciation of its former statements in favor of permitting the unification of parties on an all-German scale.

The unlawful refusal of the British and American military administrations to license the activity of the Socialist Unity Party of Germany in their zones represents a very grave violation of the decisions of the Potsdam Conference. Requests to this effect were submitted by the population in the British and American zones as far back as the spring of this year and these requests were supported by hundreds of thousands of Communists, Social Democrats and non-party workers in these zones. While putting a ban on the activities of the Socialist Unity Party of Germany in their zones, the British and American authorities countenance the existence of reactionary organizations of every sort.

Sabotage of the decisions regarding democratization in the Anglo-American zone is demonstrated also by the persecution of the democratic press and the suppression of democratic organizations behind the smoke-screen of the “anti-Communist crusade” recently declared by General Clay.

Highly important for the democratic reconstruction of Germany is the fulfillment of the decision of the Council of Foreign Ministers on introducing and accomplishing agrarian reform in all the occupation zones in 1947.

It is universally known that agrarian reform in the Soviet zone of occupation has been totally completed. As far back as the autumn of 1945, following the decision of the German democratic bodies of authority in the Soviet zone, all feudal and Junker and big landowner estates exceeding 100 hectares* were confiscated, including all outbuildings, agricultural implements and livestock.

Similarly the land holdings of the fascist and war criminals were confiscated. Their land was distributed for private ownership to the landless and small peasants and tenant farmers, as well as new settlers and agricultural laborers. Furthermore, the

* One hectare: 2.471 acres
forests owned by the landlords and the common pastures were transferred to rural community ownership and to the German bodies of self-government. The peasants were thus given 2,152,000 hectares of land along with the landlords' outbuildings, livestock and agricultural implements. The experience of these two years shows that the new farmers are tilling their land well and have earned the gratitude of the entire population. The land reform carried out in the Soviet zone has resulted in the complete elimination of the influence of the Junkers and big landowners, who had been the bulwark of German militarism and fascism.

The agrarian reform in the western zones of Germany has actually been sabotaged. The regulations and laws on the land reforms issued by the military administrations there are aimed only at creating a pretense at reform but actually do not lead to real elimination of the rule of the Junkers and the big landowners and to distribution of the land among the peasants. Thus, in the British zone, on September 11, 1947, the military administration issued an order on land reform which met with the opposition of all German democratic parties without exception. According to this order the big landowners' holdings were not subject to confiscation, but only that land in excess of the maximum area for landed estates defined at 150 hectares was to be purchased at the expense of society. Under this order the big landowners are granted every opportunity of evading this reform in general by resorting to the formal resale of the excess area of land to relatives or by resorting to judicial red tape. They may also, if they so desire, sell their unarable lands within the framework of the reform at a high price. The alienation of the big landowners' agricultural implements is not envisaged at all by this law, although it is clear that the farmer cannot till his land without implements. This reform envisages the distribution of the land preeminently among the richer tenants.

The law on the land reform in the American zone also fails to eliminate the landlord and Junker estates. It provides for the separation of only small areas from the estates of the landlords and Junkers with a view to subsequent distribution chiefly among agricultural laborers, but in such small allotments that their owners will be compelled to enter into enslaving contracts to work for the very same landlords. German statisticians have
established that a maximum of no more than 77,000 hectares of land can be assigned for land reform needs under the law promulgated in the American zone. But if a reform were to be effected similar to the one adopted in the Soviet zone, the area made available in the American zone would reach nearly a million hectares. Hence the peasants there are to all intents and purposes not getting the land of the big landowners, while the latter are preserving their estates practically intact.

The decree on the land reform issued in the French zone on October 24, 1947, involves only holdings exceeding 150 hectares. Altogether no more than 12,500 hectares have been made available for the land reform fund under this decree. But if a reform were to be carried out on the same terms as that of the Soviet zone, the land reform fund in the French zone would amount to 145,000 hectares, or 11 times more than now.

We may add that practical division of the land even within the framework of these laws has not been started in the western zones.

Thus the actual state of affairs as regards land reform in the British, American and French occupation zones in Germany is bound to give rise to anxiety as to its outcome. The decrees issued by the occupation authorities actually do not lead to the elimination of the political and economic rule of the landlords and Junkers in those zones and consequently cannot facilitate democratic reconstruction of the social system of that part of Germany.

III

Separatist Anglo-American Measures Leading to Liquidation of Germany's Unity

The American and British occupation authorities, acting counter to joint decisions, have launched a series of separatist acts leading to the destruction of Germany's unity and aimed at splitting her economically and politically.

This began in June, 1946, when the American and British occupation authorities, acting behind the back of the Control
Council, entered into negotiations on the fusion of the American and British occupation zones in Germany and in August of the same year had already established German bizonal agencies. The British and American authorities had never submitted any proposals to that effect to the Control Council for consideration and the latter was faced with a fait accompli although according to the decision of the Allied powers questions of this kind, obviously related to Germany as a whole, had to be settled not by individual commanders but by the Control Council, which exercises supreme authority in Germany.

On December 2, 1946, the governments of the United States and Great Britain signed a separate agreement on the fusion of their zones and in this case again negotiations were held behind the back of the Control Council and no proposals were submitted to the Control Council for consideration. That agreement contradicted the joint decisions of our governments and the Control Council itself on the economic unity of Germany.

We were assured then that this agreement pursued merely economic objectives and was not at all aimed at solving any tasks of a political nature. It was clear, nonetheless, that these were but subterfuges and that actually Germany's political and economic dismemberment was in question.

It will be remembered that in March, 1947, at the Council of Foreign Ministers in Moscow, the Soviet Government made a proposal to restore Germany's economic unity and to pronounce the agreement on the economic fusion of the British and American zones null and void as violating Germany's economic unity.

However, immediately after the Moscow session of the Council of Foreign Ministers the British and American authorities activized their policy aimed at a further split of Germany, meeting in this the support of the French delegation. On April 29, 1947, that is, five days after the session of the Council of Foreign Ministers, General Robertson declared at a press conference in Berlin that it was true that no amount of unity could be really valuable without the political fusion of both zones, and that he would consider with General Clay what could be done about this. On May 29 General Clay, speaking at a press conference in Berlin, confirmed this when he said that the present economic fusion of both zones could not be effected without political fusion.
A new separate Anglo-American agreement was published on the same day regarding the establishment of a bizonal economic council, an executive committee, and other special German state administrative agencies invested with extensive powers in the fused British and American zones. This constituted a fresh blow at Germany’s economic and political unity. Nor did the British and American authorities submit to the Control Council for consideration any proposals regarding such reorganization of the bizonal economic agencies but took these steps unilaterally, in distinct violation of the Control Council’s powers defined by agreement between the governments of the United States, Great Britain, France and the Soviet Union.

Beginning with December 1946 the French occupation authorities effected a series of separatist actions which led to the practical separation of the Saar from the rest of Germany, and in that case the Control Council was faced with a fait accompli. Yet it is perfectly clear that such measures cannot be implemented otherwise than by joint decision of the governments of the four Allied powers and must be considered by the Control Council.

On August 29, 1947, the German newspapers carried a report that the British and American authorities had established a new bizonal industrial level for the fused zone. The members of the Control Council received their first news of this separate Anglo-American agreement from General Clay and Marshal Douglas only on September 2. Negotiations on this measure were held in London in secret from the Control Council. In this case again the Control Council was ignored.

It is well known, on the other hand, that upon the Soviet Government’s instance all four delegations at the Moscow session of the Council of Foreign Ministers, when discussing economic questions, reached common agreement on the need of revising the plan for the level of German postwar economy adopted by the Control Council on March 26, 1946. At that time the delegations of Great Britain and France declared that the guiding principles for the revision of the Control Council’s plan should be defined by the London session of the Foreign Ministers’ Council. As you see, the Soviet representatives did raise the question of revising the plan for the level of German postwar economy for consideration by the four powers, whereas the British and
American representatives, although they agreed with the Soviet proposal and even favored the discussion of this question in London, have nevertheless taken the path of separatist actions with regard to the revision of the Control Council's plan.

As we know, in elaborating such a plan we must provide not only for the needs of one or several zones but for the requirements of all of Germany. Nevertheless, no proposals whatever were submitted either to the Control Council or to its economic bodies and no preliminary information regarding the direction and nature of the bizonal plan for economic level which was then worked out separately was submitted either. Therefore, this separate plan clearly constituted a new grave blow at Germany's economic unity.

One more separate agreement, on joint Anglo-American control over the Ruhr coal mines, was concluded in September of this year behind the back of the Control Council. Again this question was not submitted to the Control Council for consideration, in spite of the fact that the Ruhr region, which served as the main base of German imperialism and militarism, represents an area in regard to which the need for joint four-power decisions has been repeatedly emphasized.

The above list of separatist actions on the part of the British, American and French occupation authorities, which are directed at the liquidation of Germany's unity, is far from complete. Such actions clearly undermine the foundations of the Control Council's activities and lead to the thwarting of decisions jointly adopted by the governments of the United States, Great Britain, France and the Soviet Union.

The facts show that the declarations of the British and American authorities to the effect that their separatist actions in the fusion of the zones, their actions in regard to the Ruhr and the bizonal plan for economic level, etc., have been effected in the interests of restoring Germany's peacetime economy, do not correspond to reality. As a matter of fact, industrial production in the Anglo-American zone is not progressing but undergoing a grave depression.

The German economic journal Wirtschaft recently published the following figures concerning the industrial production index in the British and American occupation zones in Germany:
Index of Industrial Production

United British and American Zone

1936 production = 100

<table>
<thead>
<tr>
<th>Industry</th>
<th>Oct. 1946</th>
<th>June, 1947</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coal</td>
<td>56</td>
<td>61</td>
</tr>
<tr>
<td>Iron and steel (including castings)</td>
<td>33</td>
<td>23</td>
</tr>
<tr>
<td>Chemical products</td>
<td>47</td>
<td>44</td>
</tr>
<tr>
<td>Building materials</td>
<td>38</td>
<td>39</td>
</tr>
<tr>
<td>Transport machinery</td>
<td>22</td>
<td>21</td>
</tr>
<tr>
<td>Textile industry</td>
<td>25</td>
<td>27</td>
</tr>
<tr>
<td>Leather goods industry</td>
<td>36</td>
<td>29</td>
</tr>
<tr>
<td>Glass industry</td>
<td>108</td>
<td>93</td>
</tr>
<tr>
<td>Rubber industry</td>
<td>47</td>
<td>39</td>
</tr>
<tr>
<td>Paper industry</td>
<td>28</td>
<td>19</td>
</tr>
<tr>
<td>Power and gas</td>
<td>80</td>
<td>89</td>
</tr>
<tr>
<td>Production in general</td>
<td>38</td>
<td>39</td>
</tr>
</tbody>
</table>

It will be seen from the above table that the majority of industries in the fused zone are kept on a very low level and certain industries, as, for instance, iron and steel, chemical, transport engineering, and the leather and paper industries, have even reduced output, although they could successfully develop so as to meet the peacetime requirements of the German population. The coal mining industry continues drastically to lag behind the requirements of Germany and of Europe.

Such are the economic results of the bizonal fusion and the only explanation is that the general purpose of this was to eliminate the German peaceful industry from the world market as a rival of American and British monopolies while preserving at the same time Germany's war potential.

All this has no doubt been a grave blow not only to Germany's economy but also to the economies of other European countries, which are interested in the production of German peacetime industries and in German coal.

In other words, the economic measures of the Anglo-American occupation authorities thus far have not resulted in the development of peacetime economy in the British and American zones.
in Germany, although practically they have already made the economy of these zones to a certain measure dependent on the United States and Great Britain.

Viewed politically, all the above-mentioned separatist measures of the British and American occupation authorities constitute nothing but realization of a program aimed at splitting Germany. These actions of the American and British authorities, which are leading to the destruction of the unity of Germany, have found their continuation in the so-called Marshall Plan, which aims at subjugating the economy of the American, British and French occupation zones in Germany to American and British monopolies and at converting these regions of Germany, and primarily the Ruhr, into a war industry base of Anglo-American imperialism in Europe with a view to utilizing it as a means of bringing pressure to bear upon the European states which refuse to be enslaved by American and British monopolies. They expect to achieve these objectives by relying on the big German capitalists, who helped Hitler to seize power and supported his aggressive policy.

These schemes evoke legitimate alarm among wide democratic sections of the German population and this alarm was demonstrated, for instance, in the memorandum submitted by the miners' trade union delegation of the British zone to the second congress of miners in the Soviet zone held last October. The memorandum pointed out that at the present time a policy of curtailing the industries which supply coal mines with necessary materials is being pursued in the Ruhr and that the lag in these supplier industries is being made good by imports from the United States of "mining machinery, locomotives, steel and rolled metal... within the framework of the Marshall Plan." "In this way," the miners' trade union delegation wrote, "a colonial status is being established for the mining industry, meaning complete dependence on monopolistic capital."

The German democratic press also says that Germany is being converted from a country exporting manufactured goods into a country predominantly exporting raw materials and compelled to import from America equipment which could easily have been manufactured by Germany herself.

One of the most important aspects of the German problem is
the Ruhr. The Soviet side has repeatedly declared that the Ruhr, with its tremendous industry of exceptional military and general economic importance, cannot be controlled by any single power or two powers. Both economic interests and the security of the other European countries depend on the status of the Ruhr, which served as the industrial base of German militarism. Ruhr industry cannot again be made the base of aggression and its development must be directed toward satisfying the peaceful needs both of the German people and of the peoples of other countries.

It is precisely for this reason that the Soviet delegation proposes to establish quadrilateral Allied control over the Ruhr. The opposition offered by the Anglo-American authorities to this just request only serves to prove that they are striving to evade the solution of the Ruhr problem in the interests of peace and the security of the nations.

All this goes to show to what the actions of the American, British and French occupation authorities in Germany have led.

The demilitarization of Germany and especially the elimination of her war industry potential is not being carried out. The decision on the democratic reconstruction of Germany is not being implemented. The reparations plan for the countries which suffered from Hitlerite aggression is being sabotaged. Separate actions, which are leading to the destruction of Germany’s unity, are being effected one after another in the British, American and French zones.

All this proves that the decisions of the Yalta and Potsdam conferences are being sabotaged by the occupation authorities in the American, British and French zones. These decisions were adopted by the governments of all the powers represented on the Control Council. But it is one thing to adopt decisions and quite another to carry them out. All the facts go to show that the British, American and French authorities disagree with these decisions. And for this reason they have done nothing to carry them out; instead, all the actions of the British, American and French authorities are aimed at sabotaging these decisions. As time goes on, this policy, diametrically opposed to the policy of
demilitarization and democratization of Germany and of the preservation of Germany's unity that was laid down at the Yalta and Potsdam conferences, is pursued in the western zones of Germany on an ever wider scale.

The Soviet command in Germany is duty bound to make this declaration so that the forthcoming session of the Council of Foreign Ministers should be aware of the real state of affairs in Germany.