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# The United States and the SPD, 1945-1949: An Examination of Policies and Attitudes

Bruce L. Berry

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THE UNITED STATES AND THE SPD, 1945-1949:

AN EXAMINATION OF POLICIES AND ATTITUDES

(TITLE)

BY

Bruce L. Berry

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## CHAPTER I

### INTRODUCTION

In May of 1945, Germany was in a state of virtual collapse. Chaos reigned. Over 4.5 million Germans had been killed and over twice as many had been driven from their homes in eastern Europe. Damage to physical property was unprecedented. In Berlin, 75 per cent of the houses had been destroyed or severely damaged. In some cities, such as Dusseldorf, less than 5 per cent of the homes were inhabitable. Most of the waterways and harbors were blocked and most bridges destroyed. Much of the vital railway system was temporarily unusable. Industrial and agricultural production was cut in half, and food, clothing, and consumer necessities were in severely short supply. Germany's financial system was just as terribly disrupted with a national debt that had increased ten times since 1939 and a currency which had inflated sevenfold in the same period.<sup>1</sup> The social structure had collapsed. The urban middle classes had, in a large part, become "proletarized."<sup>2</sup> A mood of despair prevailed. As people crowded into the ruined cities, privacy, food, and warmth became their only concerns. Political matters

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<sup>1</sup>Gordon Wright, The Ordeal of Total War: 1939-1945, The Rise of Modern Europe, ed. by William L. Langer (New York: Harper Torchbooks, 1968), p. 264.

<sup>2</sup>Lewis J. Edinger, Kurt Schumacher: A Study in Personality and Political Behavior (Stanford, California: Stanford University Press, 1965), p. 74.

were the farthest things from the minds of the German people.<sup>3</sup>

In contrast, Germany's American occupiers had escaped the war relatively unscathed. The United States had lost only 300,000 dead, a tragic number but still small when compared to European losses. American industry, far from being destroyed by war, had grown tremendously, with production nearly doubling during the war years.<sup>4</sup> With its massive, well-equipped armed forces, the United States stood triumphant over Europe.

This, then, was the situation which existed when the Allies assumed the military occupation of Germany. It was also the environment into which German political parties re-emerged.

The objective of this thesis is to examine the attitudes and policies of the American occupation officials toward one of these re-emerging parties, the German Social Democratic Party or SPD. American reaction toward early post-war German political activity will be surveyed and United States opposition to the SPD's political and economic goals emphasized. Of special interest is the American attitude toward the SPD during the crisis over the Socialist Unity Party. It is my intention to determine if, during the period from 1945 until 1949 when American policy toward German political parties was proclaimed to be neutral, the United States was opposed to the SPD and its goals of Socialism and centralization, and to discover if American occupation personnel, who believed strongly in the American system of federalism and free enterprise, did interfere in the German political process to the disadvantage of the SPD.

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<sup>3</sup>Ibid.

<sup>4</sup>Gordon Wright, Total War, p. 265.

## CHAPTER II

### AMERICAN ATTITUDES TOWARD THE RE-EMERGENCE OF GERMAN POLITICAL PARTIES

In April of 1945, the United States Joint Chiefs of Staff issued a directive which was to be the basis of the American occupation of Germany. This document is commonly referred to as JCS 1067. Although the directive dealt with the whole broad range of problems facing the American occupation, its political and economic aspects are of importance for this study.

JCS 1067 called for American policy to work toward the "decentralization" of both the political and economic structure of Germany.<sup>5</sup> This decentralization was to facilitate achieving the ultimate objective of United States policy for Germany which was to "prevent Germany from ever again becoming a threat to the peace of the world."<sup>6</sup> The communique of the Big Three conference at Potsdam in July and August of 1945 reiterated many of the points of JCS 1067, especially those on decentralization and the maintenance of only a minimal standard of living for the German people.<sup>7</sup>

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<sup>5</sup>U.S. Department of State, "Military Government of Germany: Directive to the Commander in Chief of the United States Forces of Occupation," Department of State Bulletin, XIII (October 21, 1945), 597.

<sup>6</sup>Ibid., p. 598.

<sup>7</sup>U.S. Department of State, Occupation of Germany: Policy and Progress, 1945-46 (Washington, D.C.: U.S. Government Printing Office, 1947), p. 159.

It is interesting to note that point nine of JCS 1067 ordered the American occupation commander to "assure that . . . [the] . . . military government . . . [did] . . . not become committed to any political group."<sup>8</sup> Before the end of 1946 the United States would abandon this point of JCS 1067 as well as its stringent restrictions on German economic recovery and would be promoting the development of German industry on a free enterprise basis, to the detriment of the SPD.

Less than a week after the surrender of Germany, the American occupation forces were making plans toward returning some form of governmental control to the German people. Robert Murphy, who was the State Department official assigned to advise the Military Government on political matters, advised the Secretary of State that the United States should immediately begin the re-establishment of German administrative machinery on a regional basis, with Germans who had not been Nazis occupying the positions. Murphy stated at that time his belief that the real purpose of American military government was to return control to the German people as soon as it was feasible.<sup>9</sup>

This opinion was not universally shared by American officials, however. Some believed it was too early to allow a renewal of political activity, even by anti-fascist groups such as the SPD.<sup>10</sup>

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<sup>8</sup>Department of State Bulletin, p. 600.

<sup>9</sup>Robert Murphy to the Secretary of State, May 12, 1945, U.S. Department of State, Foreign Relations of the United States: Diplomatic Papers, 1945 [Hereafter cited as FRUS], Vol. III, European Advisory Commission; Austria; Germany (Washington, D.C.: U.S. Government Printing Office, 1968), p. 940.

<sup>10</sup>Ambassador Caffery to the Secretary of State, June 3, 1945, Ibid., p. 941. Jefferson Caffery was Ambassador to France.

By the middle of June, the local military governments in the United States Zone were becoming increasingly concerned with political problems. Some local political groups had begun to ask for permission to recommend candidates for office. The Office of Military Government for Germany, United States, or OMGUS, was unwilling at this time to recognize these groups as political parties as such, but it was willing to accept a list of names of candidates. Permission was also granted for some of these groups to hold political meetings. Unfortunately, the lack of knowledge of German political history was a hindrance to the military government in dealing with these groups.<sup>11</sup>

At this time, the United States instituted advisory councils to try to bridge the gap between the administrative officials, appointed by OMGUS, and the local German population. This action gave a de facto recognition to political groups. The advisory councils were purely consultative and had no real authority. The German people viewed them as a part of the American administration and as a compromise, the Councils satisfied few people.<sup>12</sup>

The Military Government had also begun to consult with Germans of various factions to obtain their views on Germany's future. Consultations with the Catholic hierarchy in the American Zone revealed the anti-socialist feelings of the Catholics. The clergymen feared any

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<sup>11</sup>Harold Zink to Donald Heath, June 10, 1945, Ibid., p. 948.

<sup>12</sup>Leonard Krieger, "The Interregnum in Germany: March-August 1945," Political Science Quarterly, LXIV (December, 1949), 524.

leftist activity, and they lumped the SPD, the KPD (German Communist Party), and other left wing groups all together. The Bishop of Regensburg denounced all these groups and warned the Americans that Russian propaganda broadcasts condemning the harshness of the Western occupation would lead to leftist political gains in the United States Zone.<sup>13</sup>

Toward the end of July, the United States sought out the views of some SPD officials on the occupation. However, the Americans were not making any specific judgements on the SPD yet because the party had not announced a formal program.<sup>14</sup>

Richard Brewster, the OMGUS official who had spoken with the above SPD members, reported to Murphy that, other than the Communists, most German political groups favored the ban which was in effect on political activity. They seemed to believe that people were too concerned with obtaining food and shelter to be worried with political matters at that time.<sup>15</sup> Brewster also suggested that the United States should support a "center" German government. He feared that the terrible economic and social conditions, plus the "hesitating" American policy would drive the Germans to the left or right.<sup>16</sup>

On August 18, 1945, General Eisenhower announced that, according to the Potsdam agreements, German political parties which were "democratic" would be encouraged and allowed the rights of assembly and public

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<sup>13</sup>FRUS, 1945, Vol. II, p. 948.

<sup>14</sup>Ibid., p. 950. Robert Murphy to the Secretary of State, July 21, 1945,

<sup>15</sup>Ibid., p. 951.

<sup>16</sup>Ibid.



discussion. Free trade unions were also to be permitted, as long as they were compatible with military security. OMGUS would grant permission for the above activities and was to report all those not authorized as well as those that were.<sup>17</sup>

In late September, Murphy visited Munich to review the denazification programs on behalf of General Lucius D. Clay, then Deputy Military Governor in the U.S. Zone of occupation. He spoke with Military Government officials as well as with leaders of the German parties.<sup>18</sup>

While on this trip, Murphy became involved in a controversy which indicated the direction in which OMGUS policy toward the SPD was moving. During the course of his investigation of the situation in Bavaria, Murphy decided that Minister President Schaefer, a staunch conservative who opposed American plans for early elections and the denazification program, should be relieved and a more representative Bavarian Government formed. Murphy had intended to recommend Albert Rosshaupter as the new Minister President. Rosshaupter was a senior SPD official with an excellent anti-nazi record, including a long term at Dachau concentration camp. Eisenhower, however, had decided on Wilhelm Hoegner, also a Social Democrat, for the position because he would be less inclined to allow the communists to participate in any coalition government.<sup>19</sup>

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<sup>17</sup>General Eisenhower to the War Department, August 7, 1945, Ibid., p. 954.

<sup>18</sup>Robert Murphy to the Secretary of State, October 3, 1945, Ibid., p. 972.

<sup>19</sup>Ibid.

Murphy met with Hoegner and received his assurances that he would try to represent all the Bavarian political groups. Murphy believed Hoegner was eager to carry out United States policy.<sup>20</sup> Apparently, SPD members of this type were acceptable to OMGUS. We shall see later how it felt about a more independent breed of SPD politician.

Shortly after his return from Munich, Murphy and Clay prepared a document on the German political situation which was sent to the War Department. It is worth examining to determine the official OMGUS interpretation of the German political parties.

It was reported that political parties had been formed in all the large cities soon after they were permitted. In Stuttgart, Frankfurt, and Kassel, the SPD and the KPD were most active, gathering moderate and orderly crowds. In Munich the situation was a little different, because the Christian Socialist Union (CSU), the Bavarian counterpart of the Christian Democratic Union (CDU) in the other Laender\*, was also highly active. The parties had avoided "doctrinaire" discussions and had called for adherence to democratic principles, cooperation with the Military Government, concentration on German reconstruction, and the de-nazification of German life. However, only the communists favored the indiscriminate removal of Nazis.<sup>21</sup>

The urban centers were developing a pattern of two left parties, the SPD and the KPD. These tended to cooperate with each other but not merge. The SPD seemed to be gaining the largest following, except in

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<sup>20</sup>Ibid.

<sup>21</sup>General Clay to the War Department, October 13, 1945, Ibid., p. 981.

\*The Laender were the German States.

Bavaria where the CSU appeared to be replacing the old Bavarian People's Party as the dominant political group.<sup>22</sup>

The above memo maintains the official policy of neutrality toward the German political parties which OMGUS continued to voice throughout the occupation. The Military Government was merely the "unbiased observer" reporting the political events as they occurred and remaining aloof as long as democratic principles were not violated. Unofficial policy was quite another matter.

In early October, Dr. Kurt Schumacher, the unofficial head of the SPD, called for a national party conference to discuss the problems facing Germany during the occupation.<sup>23</sup> The United States did not look favorably upon the idea of a national political meeting. Murphy believed it was much too early to consider any national or zonal scope for German parties. American occupation officials, attempting to keep a firm grip on political activity, believed that organization on a state or Land basis was sufficient for the time being.<sup>24</sup>

The United States continued this "limiting" policy on political activity through the campaign for the elections scheduled for its Zone for January, 1946. The elections were scheduled in the small towns where party politics would not be significant. Murphy admitted that the

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<sup>22</sup>Ibid., p. 982.

<sup>23</sup>Laszlo Gorgey, "The Influence of Foreign Policy on the Development of the Social Democratic Party in Germany" (unpublished Ph.D. dissertation, University of Virginia, 1964), p. 58.

<sup>24</sup>Robert Murphy to the Secretary of State, November 30, 1945, FRUS, 1945, Vol. III, p. 1008.

United States was attempting to make these elections reflect local independent candidates and issues, rather than large party and zonal issues.<sup>25</sup> This activity took place against the background of a survey, conducted by OMGUS, which revealed that over one-third of the Germans in the U.S. Zone favored the SPD, and believed it was best qualified to lead the reconstruction of Germany.<sup>26</sup>

By the end of the year, Murphy's interest in internal German political affairs had become quite obvious. He forwarded an article to Secretary of State James F. Byrnes written by the Bavarian Social Democrat, Wilhelm Hoegner, entitled "Federalism, Unitarianism, or Separatism." Murphy praised Hoegner as the "leading voice in Germany for a federal state." Hoegner's support of federalism had helped him to become a favorite of American occupation officials. Hoegner had tried to make a clear distinction between federalism and separatism, not wanting to be accused of splitting up Germany. However, Murphy knew that Hoegner's position was in the minority in the SPD, which generally preferred a centralized unitarian state to a federal government, and he was concerned whether or not Hoegner's ideas could gain support.<sup>27</sup>

The strong showing by the SPD in the small town elections in January, gaining a 50,000 vote plurality out of 376,000 votes cast, surprised American officials. The press was cautioned not to take the

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<sup>25</sup>Robert Murphy to the Secretary of State, December 12, 1945, Ibid., p. 1015.

<sup>26</sup>Anna J. Merritt and Richard L. Merritt, eds., Public Opinion in Occupied Germany: The OMGUS Surveys, 1945-49 (Urbana, Illinois, University of Illinois Press, 1970), p. 105.

<sup>27</sup>Robert Murphy to the Secretary of State, December 27, 1945, FRUS, 1945, Vol. III, p. 1022.

results as a national trend, but officials seemed disturbed that the CDU did not make a better showing. C. L. Abcock, an OMGUS official, played down the SPD victory by claiming that party platforms had not yet been formalized, and the elections had been personality contests.<sup>28</sup> Although no one admitted it openly, OMGUS seemed clearly concerned with the strength of the SPD in the American Zone.

As the German parties became more widely organized, they began to develop more definite programs. At the Zonenbeirat\* meeting of April 3, 1946, the SPD pushed through strong resolutions calling for immediate economic unity and the eventual political unification of Germany, which it felt would aid greatly the recovery of Europe.<sup>29</sup>

Later that same month, during a meeting of the Kommandatura, the four power control council in Berlin, the United States once again voiced its official policy of neutrality toward individual political parties and factions. However, it stated that it was opposed to allowing, within the parties, small groups of leaders to override the wishes of the majority.<sup>30</sup> This was an admirable policy, but it is difficult to justify how the United States could expound such a policy

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<sup>28</sup> New York Times (Hereafter cited as N.Y.T.), January 22, 1946, p. 3.

<sup>29</sup> John Gimbel, The American Occupation of Germany: Politics and the Military, 1945-1949 (Stanford, California: Stanford University Press, 1968), p. 66.

<sup>30</sup> Robert Murphy to the Secretary of State, April 13, 1946, U.S. Department of State, Foreign Relations of the United States: Diplomatic Papers, 1946, Vol. V, the British Commonwealth; Western and Central Europe (Washington, D.C.: U.S. Government Printing Office, 1969), p. 720.

\* The Zonenbeirat was the Zonal Advisory Council in the British Zone.

while it was becoming increasingly opposed to the SPD in the American Zone.

Elections were held in the larger towns and rural counties in the American Zone during the final week in April of 1946. The conservative parties won a majority, but the number of votes cast was less than in previous elections, and the results were not sufficient to forecast how a national election might be decided.<sup>31</sup> The SPD was quick to charge after the elections that the United States was "stacking the cards" in favor of their "reactionary" opponents. It had become evident to observers that Germany was being squeezed between extremes, with each occupying power trying to build its zone into a carbon copy of its own political and economic system. This was true in the East and West.<sup>32</sup>

On May 26, two days before the elections in the large cities in the American Zone, Kurt Schumacher made what the New York Times called "the most significant speech" by a German since the end of the war, in which he lashed out at occupation policies. Schumacher called for amnesty for Germans who had joined the Nazi movement at an age when they were too young to know any better. He also claimed that German guilt was interwoven with international guilt, and he told the United States that, as a world power, it now had a responsibility toward Europe. The SPD leader protested the extensive deindustrialization of Germany, since Germany could not live on "charity", and he claimed there could be little hope for a democratic German nation if the Ruhr were separated from the rest of Germany. He also condemned the Western Powers for failing to

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<sup>31</sup>N.Y.T., May 6, 1946, p. 8.

<sup>32</sup>Ibid., p. 9.

break up "big capitalism," which he asserted had helped bring on the war.<sup>33</sup> This open criticism of American occupation policy certainly did nothing to endear Schumacher and the SPD to OMGUS officials.

Throughout the summer of 1946, Schumacher continued to attack occupation policies. Speaking in Frankfurt, located in the American Zone, he told an audience of five thousand people that "the Germans want either all of Potsdam or none of it." He again criticized the policy of dismantling German industry, and he emphasized that if Germany could not have her industry, then she must at least have the economic unity promised at Potsdam in order to survive. The SPD chairman confronted American free enterprise ideology with the statement that "socialism" was the "surest way to disarmament" and demanded the socialization of industry and agriculture. Schumacher maintained that Hitler would never have come to power if German heavy industry had been socialized.<sup>34</sup>

While it is doubtful that Schumacher had any effect on it, American policy toward Germany began to change in the summer of 1946. There were indications of the coming change even before that time. The House Special Committee on Post-war Economic Policy and Planning had concluded in November of 1945 that the stringent controls on German economic growth had to be relaxed if Germany was to be able to produce enough to provide its own population even a minimal standard of living, and resume its place as a vital component in the European economy.<sup>35</sup>

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<sup>33</sup>N.Y.T., May 6, 1946, p. 8.

<sup>34</sup>Ibid., June 24, 1946, p. 6.

<sup>35</sup>U.S. Congress, House, Eighth Report of the House Special Committee on Postwar Economic Policy and Planning: Economic Reconstruction in Europe (Washington, D.C.: U.S. Government Printing Office, 1945), p. 33.

A prosperous free economy in Germany was now seen to be vital for European reconstruction. Allen Dulles voiced this general opinion in 1946 when he declared that if the United States failed to make a free economy work in Germany, the communists would use this failure as a strong argument for their own system.<sup>36</sup>

The change in policy was evident to observers in Germany, and the New York Times reported on June 24, 1946 that American policy was shifting from an emphasis on de-militarization, de-industrialization, and de-nazification to re-education and the solution of economic problems. OMGUS officials voiced the opinion that, unless economic difficulties were solved, there would be little hope for democracy in Germany.<sup>37</sup>

On September 6, 1946, Secretary of State James F. Byrnes delivered a speech at Stuttgart which many historians view as a turning point in American policy toward Germany. Byrnes was encouraged by General Clay to make a policy statement in Germany which could help Clay in his occupation policies and which would also be a response to Russian intransigence on German problems.<sup>38</sup>

Byrnes called for an abandonment of the strict controls on German economic growth as had been directed in JCS 1067 and asked for an increasingly productive German economy. He maintained that conditions in Germany at that time prevented the attainment of even the low levels of industrial production on which the allies had agreed. He stated that economic unity was necessary in order for Germany to solve its pressing

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<sup>36</sup>Lloyd C. Gardner, "America and the German Problem, 1945-49," in Politics and Policies of the Truman Administration, ed. by Barton J. Bernstein (Chicago: Quadrangle Books, 1970), p. 136.

<sup>37</sup>N.Y.T., June 24, 1946, p. 6.

<sup>38</sup>James F. Byrnes, Speaking Frankly (New York: Harper and Brothers, 1947), p. 187.



economic problems, and he proposed central agencies to carry out currency reform, control inflation, and administer industry and foreign trade. The Secretary declared that Germany had to be allowed to produce enough so that it could export and purchase imports, and thus make its economy self sustaining. He voiced what was now the official American opinion, stating that German recovery was essential to general European recovery. Byrnes also called for steps to be taken to form a national council to draft a federal constitution.<sup>39</sup>

An industrially based party such as the SPD should have welcomed policies which would have aided industrial growth. However, one can be certain that the kind of economy envisioned by a South Carolinian such as Byrnes was not a socialist one. Another segment of the speech also boded ill for the SPD's plans. Byrnes called for the German political system to be rebuilt from the ground up with a decentralized political structure based on local responsibility as the ultimate objective.<sup>40</sup> This concept would not sit well with Social Democrats who viewed a strong centralized state as essential for Germany's future.

John Gimbel does not believe Byrnes speech at Stuttgart was a shift in policy but was merely a maneuvering within the limits set up at Potsdam to meet the needs of Germany in 1946.<sup>41</sup> However, the consensus among historians is that the speech was a departure. Barton Bernstein and Lloyd Gardner believe the speech indicated a shift in

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<sup>39</sup> James F. Byrnes, "A Self Governing Germany," Vital Speeches of the Day, XII (September 15, 1946), 708.

<sup>40</sup> James F. Byrnes, Speaking Frankly, p. 190.

<sup>41</sup> John Gimbel, "On the Implementation of the Potsdam Agreement: An Essay on Postwar German Policy," Political Science Quarterly, LXXXVII (January, 1972), 246.

response to Soviet attitudes while some, such as Harold Zink and Eugene Davidson, stress the effect the change in policy had upon the attitudes of the Germans.<sup>42</sup> In any case, the United States was now committed to restoring the German economy to a level consistent with European recovery, and the call for an assembly to discuss a constitution indicated that American policy favored some form of a new German state.

The first year and a half of the occupation had thus seen American policy toward Germany shift from one of strict punitive measures to one of restoring Germany to a place in the European state system, with a federal governmental structure and a free enterprise system based upon the United States model. This same period also saw the SPD grow from a small group of persecuted politicians into a strongly organized party, with a definite program of socialization and centralization. The period after September 6, 1946 would see these two opposing philosophies for Germany come into increasing conflict. However, before discussing the development of that conflict, it is necessary to examine the controversy over the Socialist Unity Party, the SED.

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<sup>42</sup>Lloyd Garnder in Politics and Policies, p. 134; Barton Bernstein, "American Foreign Policy and the Origins of the Cold War," in Politics and Policies, p. 50; Harold Zink, The United States in Germany, 1944-55 (Princeton, New Jersey: D. Van Nostrand Company, 1957), p. 95; and Eugene Davidson, The Death and Life of Germany: An Account of the American Occupation (New York: Alfred A. Knopf, 1961), p. 146.

### CHAPTER III

#### THE UNITED STATES AND THE SED CONTROVERSY

On September 14, 1945, Otto Grotewohl, an SPD leader in Soviet occupied Berlin, told a crowd of over 2500 party members that the time was right for the SPD and KPD to overcome their past differences and cooperate with one another to form a sincere "united working class front."<sup>43</sup> This was the beginning of the attempt by the pro-Soviet left wing of the SPD, with Russian backing, to form a single working class party, a Socialist Unity Party.

The attempts to force the merger between the SPD and the KPD are worth studying, because they continued for over a year, and they indicated the coming breakdown in East-West relations regarding Germany. However, the SED affair is also important, because it marks the one major instance during the occupation in which the SPD in the Western Zones received full American support.

The United States paid close attention to the attempts to merge the two working class parties. On October 15, 1945, Murphy reported to Secretary Byrnes that the KPD was pushing to form a single party. His indications were that, except in Berlin and the Soviet Zone where Russian pressure could be felt more strongly, the SPD was having none of it.<sup>44</sup>

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<sup>43</sup>N.Y.T., September 15, 1945, p. 8.

<sup>44</sup>Robert Murphy to the Secretary of State, December 29, 1945, FRUS, 1945, Vol. III, p. 993.

By January of 1946, the SPD in the Western Zones was openly criticizing the call for the merger, which was not only proposed for the Soviet Zone but also for the three Western Zones. SPD leaders claimed that Berlin officials had no jurisdiction to call for such a move. Besides, until the KPD had proved its new democratic and national character, the SPD would not even consider such an idea.<sup>45</sup>

Schumacher, who already hated the KPD for its responsibility for the fall of Weimar, had decided that the proposed unity party would be no more than a puppet of the Soviet Union. His strong stance against the merger helped solidify his position as the SPD leader since the vast majority of SPD members agreed with his position.<sup>46</sup>

Murphy believed certain elements of the SPD in Berlin and the Russian Zone might have favored the merger with the KPD, but on the whole the concept was not popular. SPD sources to whom Murphy had access told him that they resented the attempts of the Berlin central committee to interfere in the politics of another zone, as well as the concept of the merger itself. Schumacher based his opposition to the merger on the grounds that the KPD was the representative of a "foreign imperial power." Murphy was afraid that the Soviet Union would put pressure on SPD leaders in its zone to force them to accept the merger.<sup>47</sup> One can see in the merger issue the differences over Germany which were developing between the Soviet Union and the Western Powers. In this instance the United

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<sup>45</sup>N.Y.T., January 30, 1946, p. 14.

<sup>46</sup>John Allen Maxwell, "Social Democracy in a Divided Germany: Kurt Schumacher and the German Question" (unpublished Ph.D. dissertation, West Virginia University, 1969), p. 73.

<sup>47</sup>Robert Murphy to the Secretary of State, January 9, 1946, FRUS, 1946, Vol. V, p. 701.

States could better protect its hopes for a capitalistic Germany by supporting an independent SPD. If the merger were allowed to take place in the Western Zones it would likely provide a majority for the opponents of the free enterprise system, as well as increase Soviet influence in Western Germany. Supporting the SPD in its opposition to the merger would thus be consistent with American policy for Germany.

Murphy's fears of Soviet pressure were soon realized when the SPD reversed its earlier decision and agreed to a conference to consider the merger. Grotewohl planned the meeting for April 7. The Russians were pressing hard for the amalgamation of the two parties and were threatening to arrest SPD delegates in the Soviet Zone who did not support the Russian position. Grotewohl's decision had come after Schumacher and other Western SPD leaders had refused to consider any conference on the merger or cooperation with the Eastern SPD, which was already controlled by the Soviets. Murphy believed that Grotewohl felt he had no choice but to yield to Soviet pressure, since he had no support from the West.<sup>48</sup> The British had come to view this pressure as the opening phase of a Russian plan to communize all of Germany.<sup>49</sup>

Grotewohl soon found that he had little support from his local party as well. At a Berlin SPD meeting to discuss the proposed merger, delegates demonstrated for over ten minutes against Grotewohl. American officials claimed that over eighty per cent of the delegates had voted against the merger concept. They had demanded secret ballots for the

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<sup>48</sup>Ibid., p. 703.

<sup>49</sup>Ambassador Gallam to the Secretary of State, February 27, 1946, Ibid., p. 706.

question to guard against possible Soviet reprisals. The results tended to confirm Schumacher's belief that only a small minority outside the Russian Zone would support the merger. Many American officials, who viewed the merger as an attempt by the KPD to gain influence in greater proportion than its electoral strength, believed the results of the meeting would probably convince the KPD not to push the merger outside the Soviet Zone in April.<sup>50</sup> The United States had also decided to take all feasible means to protect any SPD members whose safety might be threatened because of their opposition to the merger.<sup>51</sup>

On March 20, Kathleen McLaughlin reported that the Russians were imprisoning opponents of the merger in Buchenwald and other concentration camps. Wilhelm Pieck, the KPD leader, said it was imperative that the merger take place by March 31, so that the new party could begin creating conditions which would eliminate the need for the occupation. Publicly the United States was maintaining a position of neutrality in the affair, while Great Britain, France, and the Soviet Union openly backed their respective "protégés." The United States drew criticism from some corners for its position which would "open the door to dangerous elements in the political system."<sup>52</sup> However, privately, American policy was anything but neutral.

Murphy believed that most of those who favored the merger were more interested in the "Socialist" portion of Social Democracy, while those who opposed it were concerned with the "democratic" content.

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<sup>50</sup> N.Y.T., March 2, 1946, p. 2.

<sup>51</sup> Robert Murphy to the Secretary of State, March 13, 1946, FRUS, 1946, Vol. V, p. 709.

<sup>52</sup> N.Y.T., March 20, 1946, p. 10.

This statement is reflective of Murphy's opposition to socialization as well as the American position in general. He had now decided that Grotewohl had abandoned democratic principles in the hope of achieving a socialist state. Compared to this active preaching of "class struggle," Schumacher's brand of social democracy was much more acceptable to the United States. Murphy believed that the SPD feared the return to power of reactionary capitalist forces and would cooperate with the Western occupiers in order to prevent it.<sup>53</sup>

On March 26, the Berlin SPD executive council approved holding a referendum to decide the merger question. The discussion came about partially due to criticism within the party, but primarily because of Deputy Military Governor Lucius D. Clay's announcement that the merger would not be recognized in the U.S. sector unless the mass of the party approved it, not just the executive committee. In protest, the pro-merger groups decided to boycott the referendum. They would only vote on the question at the party conference scheduled for mid-April. The United States intended to observe the referendum closely to make certain it was conducted democratically.<sup>54</sup>

The referendum was held on March 31 in Berlin. However, the police in the Soviet Zone closed polling places and seized voting lists to prevent the referendum from taking place. They also harassed reporters attempting to cover the election. In the Western Zones, the vote was over seven to one against the merger. Even former KPD strongholds failed

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<sup>53</sup> Robert Murphy to the Secretary of State, March 20, 1946, FRUS, 1946, Vol. V, p. 711.

<sup>54</sup> Robert Murphy to the Secretary of State, March 29, 1946, Ibid., p. 714.

to support it.<sup>55</sup> The large majority against the merger did not prevent the Soviet Union from continuing to push the idea. It forced the SPD executive committee, which was by then under Soviet control, to call for an immediate combination of the party organization, even before the April convention.<sup>56</sup> To counteract these actions, the anti-merger portion of the SPD asked permission to hold a convention in the American Zone on April 7. The request was granted by the United States, in the hope of bringing the entire question under discussion in the Kommandatura.<sup>57</sup>

The convention was held as scheduled, and, to the surprise of no one, it voted out Grotewohl and the other leaders who had supported the merger. Karl Germer, Franz Neumann, and Kurt Swolinsky were named new co-chairmen by a vote of 484 to 1. They maintained that the old leadership had tried to sell the party out to the KPD.<sup>58</sup>

As expected, the United States with British and French support backed the recognition of the newly elected chairmen, while the Soviet Union asked that the matter be dropped. The Western powers replied that the question was important and suggested that the Kommandatura officially recognize that the SPD was split over the merger issue and call for those who wished to join with the KPD to do so, while the SPD remained independent. The Soviets still refused to discuss the matter at that time.<sup>59</sup>

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<sup>55</sup> N.Y.T., April 1, 1946, p. 1.

<sup>56</sup> Robert Murphy to the Secretary of State, April 5, 1946, FRUS, 1946, Vol. V, p. 715.

<sup>57</sup> Ibid., p. 716.

<sup>58</sup> N.Y.T., April 8, 1946, p. 9.

<sup>59</sup> Robert Murphy to the Secretary of State, April 13, 1946, FRUS, 1946, Vol. V, p. 719.



Despite the referendum against the merger, the SPD and KPD in the Russian Zone joined forces on April 14 and declared the formation of the Socialistische Einheits Partei (SED). Grotewohl predicted that the merger would soon spread to the Western Zones. People who attended the meeting had to swear that they had not taken part in the previous meeting which had ousted Grotewohl. The new SED declared that Soviet assistance would be best for Germany. The Communists would dominate the SPD members in the new party because the latter still "needed training."<sup>60</sup> On April 21, Grotewohl declared that the dream of working class unification had finally been achieved. However, primarily due to Schumacher's tireless efforts against them, attempts to promote the merger in the Western Zones were failing.<sup>61</sup>

American officials viewed this controversy with increasing concern. It was obvious that attempts to force the merger had hurt quadripartite control. The SED was continuing to function without official permission while the SPD was being forced to "lay low" in the Soviet Zone. Murphy decided that, if the Soviet Union refused to make the SED submit to Kommandatura control, the United States should act as if the SPD were authorized in the other zones. To Murphy, the issue was now much greater than a simple matter of merging political parties.<sup>62</sup>

The SED question was passed on to the Allied Control Council. General Kalikov, the Soviet representative, pressed for immediate

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<sup>60</sup> N.Y.T., April 15, 1946, p. 1.

<sup>61</sup> Ibid., April 22, 1946, p. 10.

<sup>62</sup> Robert Murphy to the Secretary of State, April 13, 1946, FRUS, 1946, Vol. V, p. 721.

recognition of the SED. The United States attempted to trade Western recognition in return for Soviet recognition of the SPD, but the French opposed this since the SPD had voted against a merger. France was willing to recognize the SED as a new party, but not a fused one. The Berlin SPD chairman, Germer, wrote the council that the SPD needed allied support and that its policies had not changed simply because a small group had bolted to the SED.<sup>63</sup>

With the merger of the SPD and KPD in the Soviet Zone and the inability of the Control Council to solve the problem, the SED affair moved to the background. However, it was by no means out of sight, and, especially with the attempts to complete a merger in the Western Zones, the United States and the SPD still had to deal with the question periodically for over a year.

The Soviet Union was doing nothing to make the problem any more solvable. On July 18, 1946, the SPD leaders met in the Soviet sector of Berlin to protest the Russian's unfair treatment of the SPD. The Russians had been forcing the SPD to submit speeches prior to their delivery, requiring complete personal data on all SPD leaders, and had forbidden the distribution of a leaflet written by Schumacher.<sup>64</sup> The SPD's position of independence had done nothing to endear it to the Russians, and there was little hope that the situation was going to improve.

The SPD, however, was not halted by Russian harassment, and it continued to press forward its principles. During the election campaign

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<sup>63</sup>N.Y.T., April 27, 1946, p. 4.

<sup>64</sup>Ibid., July 19, 1946, p. 4.

in Saxony in late summer, the SPD openly and vehemently attacked the SED. It placed its own posters over those of the SED, accusing the SED of working toward a communist dictatorship, one which had already taken root.<sup>65</sup> The SPD was not giving in to Russian pressure without a fight, and this attitude evidently paid off in the Berlin elections in October, in which the SPD finished ahead of the SED in the SED's own stronghold, the Russian sector.<sup>66</sup>

In return for its election successes, the SPD came under the brunt of a vicious Soviet propaganda campaign. Pravda accused Schumacher of being a new fuehrer and condemned his recent trip to Great Britain. The Russians accused SPD members of joining the Nazis in droves in the 1930's. Schumacher denied the charges and said that he was certain that Moscow could forgive him for being a fuehrer, but never for being a democrat. He also denied that he was a tool of the Western democracies and proclaimed his independence.<sup>67</sup>

In January of 1947, the Kommandatura again took up the problems between the SPD and the SED. The United States objected to the Soviet Union's refusal to permit freedom of action for other parties in its zone while openly supporting the SED. The United States representative pressed for a return of responsibility to German elected bodies as soon as was possible.<sup>68</sup>

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<sup>65</sup>N.Y.T., September 8, 1946, p. 28.

<sup>66</sup>Ibid., October 21, 1946, p. 2.

<sup>67</sup>Ibid., December 10, 1946, p. 10.

<sup>68</sup>Robert Murphy to the Secretary of State, January 6, 1947, U.S. Department of State, Foreign Relations of the United States: Diplomatic Papers, 1947, Vol. II, Council of Foreign Ministers; Germany and Austria (Washington, D.C.: U.S. Government Printing Office, 1972), p. 842.

Soon after this meeting, it was rumored that the Soviet Union would be willing to allow the SPD to operate in its zone if SED leaders, such as Grotewohl, would be allowed to rejoin the SPD.<sup>69</sup> This would be like asking the proverbial fox to guard the chickens. However, the Russians pressed ahead with their plans. Schumacher was invited to discuss with SED leaders how the SPD might be allowed to return to the Soviet Zone. Schumacher considered the offer because he knew his followers in the Soviet Zone wanted the SPD to return. He told the Russians that he would be happy to re-establish the SPD in their zone, but he would accept no deals to attain this in which he would be expected to carry out Russian wishes.<sup>70</sup>

These attempts to "woo" the SPD were part of a Soviet effort to build the SED into a national party. On March 8, SED leaders came into the American Zone to promote a merger of the working class parties in the West. They hoped to set up collaboration with the SPD on the trip. A formal merger could take place later.<sup>71</sup>

At Munich, Otto Grotewohl declared the KPD in the Western Zones might change its name to SED. The result would give the weak KPD a formal union with the powerful, Soviet backed SED. Even though Schumacher opposed such a move, American observers believed some dissident left wing members of the SPD might be drawn in under the new name.<sup>72</sup>

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<sup>69</sup>N.Y.T., January 10, 1947, p. 3.

<sup>70</sup>Ibid., January 24, 1947, p. 9.

<sup>71</sup>Ibid., March 9, 1947, p. 5.

<sup>72</sup>Ibid., March 15, 1947, p. 11.

The attempt by the Soviets to face the Western allies with a fait accompli on the merger issue left the United States indecisive. OMGUS felt, at that time, that it would not be wise to forbid the KPD to change its name to SED since it would draw so few SPD members that the myth that the SED was a "unity" party would soon be dispelled. However, it realized that the resulting party would be larger than the original KPD. The main argument against granting the name change, however, was that it would mean allowing the undemocratically founded SED to operate freely in the U.S. Zone without reciprocity for the SPD in the Soviet Zone. Opponents of granting the change believed it would be throwing away a "trump card" which could be used to correct the political situation in the Russian Zone. This group thought the United States might require a referendum of SPD and KPD members in the American Zone to decide the issue democratically. They also wanted to make it clear to the Russians that authorizing the SED would hinge upon their adherence to equal rights for all parties, including the SPD in the Soviet Zone.<sup>73</sup>

The State Department decided that the danger of allowing the SED into the American Zone was less than what the United States might gain by the surprise of permitting it. Washington decided that OMGUS should allow the SED to operate, contingent on equal rights for the SPD in the Russian Zone.<sup>74</sup>

This decision was opposed by Walter Bedell Smith, the American ambassador in Moscow, who viewed the whole SED affair as a step in the

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<sup>73</sup>Donald Heath to the Secretary of State, March 15, 1947, FRUS, 1947, Vol. II, p. 857.

<sup>74</sup>The Secretary of State to Donald Heath, March 21, 1947, Ibid., p. 859.

Soviet plan to increase its influence in the Western Zones. Failure to resist the intrusion of the SED into the American Zone would hurt democratic progressive elements, and to permit the name change without a quid pro quo offer for the SPD from the Soviets would be playing right into their hands. Smith believed that by allowing the SED leaders to tour the American Zone, OMGUS was subverting precisely what it was supposed to be supporting.<sup>75</sup>

By early April, the United States had still not decided whether to call for a referendum or ask for a quid pro quo agreement. Schumacher further complicated the situation by declaring he believed the United States should authorize the SED to operate in the U.S. Zone. He was certain this would closely identify the SED and communist cause more closely with the Soviets. As far as the political numbers were concerned, the SED would not be that much larger than the KPD that already existed.<sup>76</sup>

On April 11, 1946, Mayor Otto Ostrowski received a vote of no confidence from the Berlin city council due to his delay in eliminating excessive numbers of communists from city government. The SPD planned to elect Ernst Reuter, a strong man and a vigorous anti-communist, as new Lord Mayor. The Soviet Union and the French opposed Reuter, while the United States and Great Britain supported him. Since a unanimous vote was required for a candidate to be confirmed, the Soviet Union could block Reuter's election. In this event, the SPD and CDU planned to

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<sup>75</sup> Ambassador Smith to the Assistant Secretary of State, March 29, 1947, Ibid.

<sup>76</sup> Donald Heath to the Secretary of State, April 8, 1947, Ibid., p. 861.

refuse to participate further in the Berlin city government. The SPD intended to force a showdown over what democracy meant in regards to Berlin.<sup>77</sup>

Ostrowski resigned on April 17, but the Soviet member of the Control Council refused to accept his resignation. The SED press attacked the SPD and CDU for forcing his decision to resign, and the Soviet Union did its best to prevent the non-communist majority from having its way. The Russians claimed the SPD forced Ostrowski out because he was friendly to them. They also blamed American intrigues for causing the SPD to act as it did. American officials countered that the issue really was whether or not the allies were willing to let the Germans govern themselves.<sup>78</sup>

On April 23, Colonel William Howley, an American occupation officer, told a press conference that the Berlin city government should decide the question itself. He maintained that a year before, the United States would not have cared which party controlled the government as long as it had been elected legally. He accused the Soviet Union of trying to destroy the SPD.<sup>79</sup>

OMGUS put an end to one stage of the SED controversy on May 3 when it made its decision on the application of the KPD in the U.S. Zone to merge with the SED of Berlin. The United States said permission was denied because, "while the SED party claims to represent an amalgamation

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<sup>77</sup>Donald Heath to the Secretary of State, April 14, 1947,  
Ibid.

<sup>78</sup>Donald Heath to the Secretary of State, April 23, 1947,  
Ibid., p. 864.

<sup>79</sup>Donald Heath to the Secretary of State, April 25, 1947,  
Ibid., p. 865.

of the Social Democrats and the Communist Parties, no request has been received from the Social Democratic leaders to join the proposed merger." OMGUS had decided that it could not permit a change in name by the Bavarian KPD which would imply a merger that had not occurred. The United States reiterated, for public consumption no doubt, that it would not oppose voluntary mergers on a zonal basis.<sup>80</sup>

A stalemate was reached which, for all practical purposes, ended the controversy over the SED when, on June 18, 1947, the United States Military Governor, Lucius D. Clay\*, indefinitely barred the SED from operating in the American Zone.<sup>81</sup> The United States had opposed the merger for several reasons. First, and this was the officially professed reason, the merger was an attempt to force a new political party onto Germany, East and West. Secondly, relations with the Soviet Union concerning Germany had been deteriorating, and OMGUS had no desire for increased Soviet influence in the American Zone and Western Zones in general, which would have come about as a result of the SED's introduction into the West. Finally, if the SPD and KPD had merged, it would have been the largest party in the U.S. Zone. As such, it could have been a serious threat to American hopes for the future of free enterprise in Germany. All of these factors led OMGUS to support Kurt Schumacher in his attempts to maintain the independence of the SPD. However, even as the United States and the SPD were standing side by side on the merger issue, they were drifting farther apart because of their conflicting plans for the future of post-war Germany.

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<sup>80</sup>Press release from OMGUS Headquarters, May 3, 1947, Ibid., p. 866.

<sup>81</sup>N.Y.T., June 18, 1947.

\*Clay became Military Governor in March of 1947.



## CHAPTER IV

### THE DEVELOPMENT OF AMERICAN OPPOSITION TO THE SPD

Although the confrontation with the Soviet Union over the SED held much of the Military Government's attention during 1946 and 1947, it was not the United States' sole concern. The Byrnes' speech at Stuttgart in September of 1946 had given a more definite form to American plans for post-war Germany. At the same time, the German political parties had reached a stage of organization in which they were now promoting definite programs. The American view of Germany's future was much different than the view of the SPD, and thus, the stage was set for a growing hostility between them. The period from September 1946 until June of 1948 revealed how far from neutrality in German political affairs the United States' position really was.

In early October 1946, SPD Chairman Schumacher made clear what he believed was the best course for Germany to follow. He declared that socialization was an economic necessity for Germany, and of the greatest political importance for the foundation of democracy. He claimed that democracy had little chance on the European continent unless it was imbedded in Germany, and this could not occur without socialism.<sup>82</sup> This speech was an indication of what OMGUS could expect from a future SPD dominated government.

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<sup>82</sup>N.Y.T., October 14, 1946, p. 5.

General Joseph T. McNarey, the first United States Military Governor, in his comments on the Berlin elections later that same month seemed unwilling to concede that the SPD party program had real support among the German people when he claimed that the SPD's gaining nearly fifty per cent of the total vote was really an expression of dissent against the communist dominated city government and its attempts to force the merger. McNarey said that many people may have voted for the SPD out of protest, rather than out of support for its platform.<sup>83</sup>

This growing mistrust of the SPD on the part of OMGUS was evident to Charles "Chip" Bohlen, an American State Department official who was travelling in Germany. He told the editor of the SPD newspaper Freiheit his views of the difficulty the SPD was having gaining a favorable image among American officials and the public in general. Bohlen was reported to have made the following comments:

You see, it is too bad that your party always speaks with a language that will only be understood in Germany. I have always understood what you want to say, because I know the German situation well. But just imagine an average American politician, an average citizen, when he reads your statements his reaction is: The Germans are never peaceful. Byrnes said something sensible to them, and immediately, they had to throw the baby out with the bath.

Bohlen advised the SPD to work with American journalists who were sympathetic. He said there was some support for the SPD within government circles.<sup>84</sup>

Bohlen believed the SPD was the "only effective democratic force in Germany," but there was no clear concept as to what kind of socialism

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<sup>83</sup>N.Y.T., October 23, 1946, p. 10.

<sup>84</sup>John Maxwell, Social Democracy, p. 216.

it wanted. He said that the SPD should not ask for socialism as such, but should voice its demands in such a way that American politicians, especially Democrats, see ideas like a "planned economy" as a necessity for Germany. The SPD had to stress that socialism was not a "revolutionary act any more, but an economic necessity." Bohlen said socialism was the only way to normalize Germany, and he hoped that Schumacher would take advantage of the points in Byrnes' speech that could help.<sup>85</sup> Unfortunately for the SPD, there were few American officials who felt as Bohlen did.

The biggest obstacle the SPD faced in implementing its program was Lucius D. Clay, then Deputy Military Governor in the American Zone but soon to be Military Governor. In later years, Schumacher accused Clay of having an anti-SPD complex, and more specifically, an anti-Schumacher complex. The SPD leader claimed that Clay's excessive devotion to free enterprise led him to work against the SPD.<sup>86</sup>

Although American policy toward the SPD and its program was officially neutral, OMGUS actions belied that position. Clay had shown this clearly in 1946 by his reaction to the Hessian constitution. Article forty-one of that document called for the socialization of industry, but Clay decided that it could only be implemented if it were approved in a separate referendum from the one which would decide on the constitution as a whole. This seems to indicate a hope, in vain, on Clay's part that the voters would reject socialism if it were the only issue they needed to decide on. Even after seventy-one per cent of the voters approved the article, Clay decided it would be "suspended" for the time being. He

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<sup>85</sup>Ibid., p. 217.

<sup>86</sup>Ibid., p. 219.

subsequently refused to approve all Hessian attempts to implement article forty-one.<sup>87</sup> Harold Zink, the official historian for the American occupation, confirms that article forty-one was unpopular with Clay. He tries to defend Clay's actions, however, by saying that implementation of the article's provisions would have been very unpopular with American public opinion.<sup>88</sup>

Clay further showed his opposition to the socialist goals of the SPD in 1946 when he fought for an effective **decartelization** law, which he felt would deter socialization. When Washington overruled him on the issue, he immediately asked for a definite policy statement on socialization. The reply was, in effect, that the United States had no objections, as long as the decision was reached in a democratic manner. OMGUS asked almost immediately for a reconsideration, since the Berlin City Council had recently approved a broad socialization bill for four power approval. Clay objected to the bill's failure to provide for "fair compensation," among other things. He also feared that approval of the bill would commit the United States to a policy of socialism, "probably without [the] United States or Congress realizing such a basic issue had been decided."<sup>89</sup>

Although Clay's "official" policy at the time was to allow the German people to decide for or against socialism, whenever they were in a position to choose freely at a national level, his internal correspondence reveals his opposition to socialization. He hoped that "free enterprise"

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<sup>87</sup> John Gimbel, The American Occupation, p. 117.

<sup>88</sup> Harold Zink, The U.S. in Germany, p. 181.

<sup>89</sup> John Gimbel, The American Occupation, p. 170.

would become so firmly established in the meantime that the German people would never exercise their right of choice.<sup>90</sup> Clay wrote the Secretary of the Army that there must be "economic and political stability before the German people can be expected to freely exercise their views." Clay said, "Time is on our side. If we can . . . defer the issue while free enterprise continues to operate and economic improvement results, it may never become an issue before the German people."<sup>91</sup>

In late December of 1946, the United States and Great Britain agreed to an economic union between their zones. Thus "Bizonia" was formed. This new organization would bring even closer contacts between the SPD members from both zones, especially since the British Government, controlled by the Labour Party, was sympathetic toward the SPD in its zone. This would present the United States with an even stronger push for socialization in Western Germany.

One of the early actions taken in the organization of Bizonia was the formation of an economic council, comprised of German citizens, to coordinate economic measures in the two zones.

On January 16, 1947, the SPD took over the Economic Council of the Anglo-American Zones by virtue of its strong central party organization. After gaining control of the Economic Executive Council, the SPD's first act was to oust Dr. Rudolph Mueller, a conservative, and replace him with Dr. Victor Agartz, Schumacher's "right hand man." German politicians viewed this move as a setback to American ideas on the course German reconstruction should follow. All of the council members were Socialists,

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<sup>90</sup>Ibid., p. 224.

<sup>91</sup>Ibid., p. 170.

because the center parties lacked the necessary inter-zonal party structure to overcome the organizational superiority of the SPD. Agartz favored a decartelization of industry and strong trade unions, while Mueller's views on decartelization were similar to those of the United States, and he favored little socialization.<sup>92</sup> Mueller was understandably bitter over the loss of his position, which he claimed was a purely political move, and he declared he would form a new anti-socialist party in Bizonia to block Schumacher.<sup>93</sup>

General Clay and General Brian Robertson, the British Military Governor, had to approve the democratic election of Agartz, but in their message to the Council they informed its members that they believed it would be better if the heads of bizonal agencies had a "reasonable continuity" in office. If one were to be removed, it should be only for just cause. They said that consultations would be held to see if their directive was carried out, and they thanked Mueller for his services.<sup>94</sup>

The subsequent moves by the Economic Council to implement the SPD program endangered Clay's policy of making socialization in Germany difficult, if not impossible. This did not facilitate OMGUS' attempts to maintain the appearance of political neutrality. The election of the socialist Agartz as Chairman of the Economic Council influenced the Military Government to maintain the policy of assigning as little political power as possible to the Germans, which it had been following since the beginning of the occupation. This policy had been instituted

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<sup>92</sup>N.Y.T., January 17, 1947, p. 5.

<sup>93</sup>Ibid., January 19, 1947, p. 29.

<sup>94</sup>Ibid.

to prevent any possible resurgence of National Socialism, but by 1947 there were virtually no reasons for continuing to pursue it.<sup>95</sup> Clay avoided a direct clash over socialization and thus kept up a neutral appearance by stating that Economic Council enactments did not bind Bizonia as laws but were only recommendations. This soon became official OMGUS policy.<sup>96</sup>

On January 28, 1947, Schumacher confronted all the occupying powers when he warned them to consider Germany at the coming Foreign Ministers Conference in Moscow. He declared that Germany must not be considered an isolated case but as a part of a European problem. He said that if he were a member of a future German government and asked to sign a "too harsh" peace, he would refuse. Schumacher asserted that Germans, who would sign a treaty, had to be freely elected by all Germany, not just appointees of the occupying forces. He confronted American plans for Germany by calling for a strong central Reichstag rather than a weak senate representing the Laender, or states. Schumacher declared that if each Land were treated as a sovereign state, it would be Germany's and Europe's ruin.<sup>97</sup> Schumacher thus was in direct opposition to American plans for a decentralized federal German state.

A conflict over trade union organization in Berlin about this time brought the United States and the SPD into opposition. The United States wanted to prevent the Soviet backed SED from taking over the

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<sup>95</sup> John Gimbel, The American Occupation, p. 118.

<sup>96</sup> Ibid., p. 119.

<sup>97</sup> N.Y.T., January 29, 1947, p. 14.

Berlin trade unions, by strengthening the SPD for the battle. However, the SPD did not want the help, because it did not wish to do anything to split the unions on a sectional basis, and thus seemingly justify SED claims that the SPD was splitting the working class as a lackey of the imperialistic foreign powers. The CDU, however, reported that it would be willing to negotiate in the struggle.<sup>98</sup> The United States was thus still willing to support the SPD as an ally in the growing confrontation with the Soviet Union, but the SPD would have none of it. This fact, combined with the willingness of the CDU to go along with American policy, did nothing to enhance the future of the SPD in its dealings with OMGUS.

In mid-March the CDU attempted to organize a meeting of the various German political parties to formulate a joint proposal to submit to the Moscow Foreign Minister's Conference. Without the participation of the SPD, however, the recommendations would carry little weight.<sup>99</sup> Once again, Schumacher refused to cooperate fully with the other parties, as the United States would have liked. He agreed to attend, but only on his conditions, one of which was that the discussions should be real and not just the ratifying of something imposed by the occupation powers.<sup>100</sup> Schumacher continued his independent stance by condemning the CDU and its Bavarian farmer supporters for leaving much of the responsibility for the food shortages in the industrial areas of Western Germany.<sup>101</sup>

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<sup>98</sup>Robert Murphy to the Secretary of State, February 12, 1947, FRUS, 1947, Vol. II, p. 852.

<sup>99</sup>N.Y.T., March 18, 1947, p. 4.

<sup>100</sup>Ibid., March 19, 1947, p. 5.

<sup>101</sup>Ibid., March 31, 1947, p. 3.



OMGUS received some solace in April when the Bavarian state legislature voted down the SPD and neutralized a socialization clause in the Bavarian constitution. The SPD was then expected to withdraw from the coalition, which is precisely what Schumacher had wished from the beginning. The SPD hoped that new elections would cause the CSU to lose its majority.<sup>102</sup>

In April of 1947, Clay reported to the War Department that the Bizonal Economic Council would naturally have a substantial SPD majority. Clay accused the British of collaborating closely with Schumacher and supporting his calls for socialization, nationalization of industry, an increasingly centralized economy, and a strong central government. Clay reiterated his views that Schumacher was a danger to American plans for a decentralized, federal Germany. He felt the SPD majority in the council would not really reflect the majority of German opinion.<sup>103</sup>

Clay believed the conservative parties would be hurt by the British proposal of equal Laender representation, since the CDU and LDP (Liberal Democratic Party) were concentrated in Bavaria. He said he would promote a more proportional representation plan. The United States had to come up with a workable alternative or else face the prospect of accepting socialism, or of being in constant opposition to the British and the majority of German opinion. Clay maintained he was not opposed to socialism, per se, but would only accept it on a vote of the German

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<sup>102</sup>N.Y.T., April 26, 1947, p. 6.

<sup>103</sup>General Clay to the War Department, April 26, 1947, Ibid., p. 912.

people, and then only on a Laender basis until a central German government was created. This is precisely what Clay had refused to accept in the instance of Hesse. Clay stated that American policy should be to limit socialistic controls to as few basic industries as possible, while maintaining broad principles of free enterprise. Clay believed the German people might support this, since it had been a controlled economic and social system which had aided Hitler's rise to power.<sup>104</sup>

Even before this time, Washington had come to share Clay's fears of socialism and a highly centralized organization of Germany. Clay was instructed to reduce the chance of this occurring by limiting the powers of the Bizonal Council and maintaining his control over its legislation. The instructions from Washington said that the council should have a voice in the determination of production, export-import levels, and fuel allocation, but the Military Governors should keep its policies under observation. The powers of the Council did not include the right of socialization at the bizonal level. Washington believed that it would be better to keep decision making at the Laender level. Clay reserved the right to control what he believed was excessive centralization by making critical council decisions subject to the agreement of the Military Governors.<sup>105</sup>

This decision created a situation in which the United States was forced to face what its real aims were in its German policies. Since the Military Governors had kept their power of review over council decisions,

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<sup>104</sup>Ibid., p. 913.

<sup>105</sup>John Gimbel, The American Occupation, p. 126.

they could have given the Laender more power, in the interest of federalism. One would expect that OMGUS would have pushed for the Laender to have more power, to encourage and develop federal structures for the Germans to use once the Military Government gave up its review powers. However, granting more power to the Laender would have increasingly involved their eight Minister Presidents, five of whom were Social Democrats. The United States thus resisted Laender influence at the Frankfurt councils. Clay would not allow the Minister Presidents to serve on the Bizonal Executive Committee, because he said it was a full time job. He also refused to define the exact relationship between the committee members and their home governments.<sup>106</sup>

Clay's first decision effectively removed SPD party professionals from the inner workings of Bizonia. The second lessened the power these men might have over committee members. By refusing to allow the Laender to assume a greater degree of power, the United States seemed to be working against its own concept of federalism. As John Gimbel has said, "the containment of social democrats and socialism continued to preoccupy Americans. . . ."<sup>107</sup>

A conflict developed between the United States and its British ally over just this policy in early May. Victor Agartz had threatened to resign, because he claimed that United States authorities were blocking his policies. He even accused the United States of refusing to grant him a travel permit in order to thwart his activities.<sup>108</sup>

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<sup>106</sup> Ibid., p. 128.

<sup>107</sup> Ibid.

<sup>108</sup> N.Y.T., May 6, 1947, p. 8.

"Informed sources" reported to the New York Times that the United States resented British attempts to actively force socialism on Bizonia. American officials once again voiced their "official" line that they had no objections to socialism if the German people freely selected it. However, they felt that the Germans were not yet ready to assume the powers inherent in such a system. United States officials accused Agartz of liking to "play dictator" and of not understanding OMGUS' insistence on a slow, evolutionary development of Germany as the only way to insure the success of the American occupation. American policy makers were not placing German economic recovery above "world peace and security," which they accused the British of doing. Clay had resisted a "quick cure" for Germany's problems. The United States believed that economic centralization implied political centralization, and Germany was not believed to be ready to be trusted with such power yet. In fact, some occupation officials believed it was still really too early to have given the Germans the power they had already been granted.<sup>109</sup>

Great Britain and the United States finally reached a compromise agreement on the future of Bizonia. The main points of contention had been, once again, British desires for increased powers for the bizonal councils and socialism in both zones by imposition. The United States opposed both these concepts. In return for American concessions on the aforementioned powers for the council over economic matters, the British agreed to drop their plans for socialism, as far as Bizonia was concerned. This was viewed as a great victory for Clay's plans for Germany.<sup>110</sup>

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<sup>109</sup>N.Y.T., May 6, 1947, p. 8.

<sup>110</sup>Ibid., May 19, 1947, p. 8.

Shortly after the compromise between the United States and Britain, Schumacher began an extended speaking tour on which the United States, and the Soviet Union, came under his increasing attack. He blamed bizonal economic policies for causing the severe food shortage and demanded that Germany be allowed to export more manufactured goods in order to purchase food imports. Schumacher said, "Germany must export."<sup>111</sup> He condemned "reckless world politicians" for misusing the German people in a struggle between East and West. He told the Soviets that "Europe must be democratic," while he informed the Americans that "Europe must be socialistic." He vowed Germany would not sell itself to either side.<sup>112</sup>

Closing the tour at Nuremberg, Schumacher called on the Western Powers to speed the economic reconstruction of Germany as a bulwark against Communism. He said the economic prosperity of Germany could be of great importance in deciding the developing struggle between East and West. Schumacher praised the Marshall Plan and admitted that Europe had no choice but to accept. A German collapse would be near unless general help came soon. The key to the question was, to Schumacher, the dismantling of West German industry. He still maintained that Germany would have to play the major role in European recovery.<sup>113</sup>

The SPD again confronted the United States in June shortly after the opening of the Bizonal Economic Council. The issue was again

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<sup>111</sup>N.Y.T., May 19, 1947, p. 7.

<sup>112</sup>Ibid., June 2, 1947, p. 11.

<sup>113</sup>Ibid., June 30, 1947, p. 9.

centralization versus federalism. The SPD objected to the "rightest tendency" of seat distribution in the council. The CDU opposed attempts by the SPD to gain the positions of Director of Economics and Director of Finance. This conflict stalled the working of bizonal agencies.<sup>114</sup>

The opening of the Council faced the United States with two choices. It could either issue direct binding orders to the Laender, or it could grant increased power to the Germans in the council at Frankfurt. Neither choice was attractive to Clay. The first was unfeasible due to the growing propaganda war between the Soviet Union and the West. The second was even more so because the United States wanted to maintain control over its heavy financial investment in Germany, continue the fiction that the Bizonal Economic Council was an economic and not a political organization, and, finally, to make certain that the SPD did not gain through administration what it had failed to gain politically. The result was that no choice was made, but policy fluctuated.<sup>115</sup>

In August, the American military government in Bremen suspended for one week the publishing privileges of the local SPD paper for violating an order to submit all political material prior to publication. However, the penalty was light, because, observers claimed, the United States believed the violation was inadvertent. The Bremen government, in order to preserve its image of neutrality, had to impose some sanctions since it had done it to the KPD in the past.<sup>116</sup>

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<sup>114</sup>John Gimbel, The American Occupation, p. 186.

<sup>115</sup>Ibid., p. 188.

<sup>116</sup>N.Y.T., August 27, 1947, p. 10.

In order to meet the increasing protests that he was working against the SPD, Clay explained his position to the Laenderrat, the Council of States as represented by their Minister Presidents, on September 9. He claimed that much of what had been said about OMGUS' opposition to socialization of industry had been "distorted and inaccurate." Clay told the Germans that although the American people believed in the free enterprise system which had brought them great material well being, they believed even more in democracy. Therefore, according to Clay, any German state could decide upon socialism for its own area.<sup>117</sup>

Clay's statement was a reaffirmation of a policy announced by the U.S. State Department in August of 1947 which declared that the United States did not oppose democratic socialization as long as foreign property owners were compensated.<sup>118</sup> The catch was, however, that Clay ruled that if the socialized industries overlapped into the other Laender or if people in other areas were affected, the socialization would have to be approved by all the German people, whenever a government capable of expressing their national will had been established.<sup>119</sup> In a highly industrialized country such as Germany it would be difficult to find any industry that did not affect the lives of people in other Laender to some degree. Thus, Clay had again maintained his "neutral" position, while effectively blocking the attempts for socialization.

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<sup>117</sup> N.Y.T., September 10, 1947, p. 10.

<sup>118</sup> U.S. Department of State, Occupation of Germany, p. 42.

<sup>119</sup> N.Y.T., September 10, 1947, p. 10.

A crisis in Bavaria caused the end of the coalition government less than a week after Clay's Laenderrat speech. The results should have pleased Clay, as the SPD, after accusing the CSU of failing to live up to its end of a bargain about socialization measures, left the government. The four SPD members who left the cabinet were soon replaced by members of the CSU.<sup>120</sup>

During this same month, Schumacher's first and only visit to the United States took place where he attended an American Federation of Labor convention.<sup>121</sup> Schumacher spent three weeks in the United States. However, his contacts were virtually limited to labor leaders. His appointment book showed numerous meetings with Irvin Brown, a trade union leader, and Jay Lovestone, a former executive of the American Communist Party. He did not get the opportunity to meet with government officials. As a result, his impression of the American government remained suspicious and hostile, and, it must be admitted, vice versa.<sup>122</sup> The SPD had some support among American labor organizations. U.A.W. President, Walter Reuther, had criticised United States policy as returning to power the very people who had helped bring about the war. He said American policy in Germany was a "threat to democracy in Germany and democracy in the world."<sup>123</sup> This was a point which Schumacher had been raising for almost two years.

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<sup>120</sup> N.Y.T., September 15, 1947, p. 6.

<sup>121</sup> Ibid., September 20, 1947, p. 20.

<sup>122</sup> Lewis Edinger, Kurt Schumacher, p. 173.

<sup>123</sup> David Childs, From Schumacher to Brandt: The Story of German Socialism, 1945-1965 (New York: Pergamon Press, 1966), p. 73.



The latter part of 1947 was fairly uneventful for official relations between the United States and the SPD. However, Delbert Clark of the New York Times stirred up a storm when he accused Schumacher of calling for the partition of Germany, with the western portion then to sign a separate peace. This would have been a sharp reversal in Schumacher's program, since he had always advocated unity and nationalism. So much so, in fact, that one American official had called his program "no national socialism but social nationalism." Clark, who said that Schumacher was an expert at shifting with the political winds, claimed the change in policy came about as a result of conferences Schumacher had held with American officials on his recent trip, and his desire to be the first chancellor of the "Fourth Reich."<sup>124</sup>

The controversy raged for several weeks. It finally came to an end when Schumacher replied in a letter to the editor of the Times. He declared that Clark's original article had been completely wrong. He said there had been no secret meeting of SPD leaders for him to institute this "change" in policy, only the regular meeting of the Berlin district committee. In that meeting he claimed he took the same stand as always, that was for a united Germany and against separation. He also stated he was against a separate peace. Finally, as to the charge that he had shifted his position for a political gain, Schumacher maintained that he had always been criticised in the past for not shifting gracefully with the winds of political fortune.<sup>125</sup>

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<sup>124</sup>N.Y.T., November 6, 1947, p. 10.

<sup>125</sup>Ibid., December 29, 1947, p. 26.

1947 ended on the ominous note of the failure of the London Foreign Minister's Conference to achieve any substantial results regarding Germany. The talk of partition became more frequent. Some Americans, such as John Foster Dulles, hoped it would come soon. Some sources reported that the SPD and the CDU were already working on a joint political proposal to submit to bizonal officials as a charter for a West German government. Clay was reported to be expecting the document before the end of December.<sup>126</sup>

Schumacher opened the new year by once again condemning American and British occupation forces for not granting additional powers to Germany. He told a crowd at Munich that decisions for communism or democracy in Germany would be "decided with bread." He claimed that the German people would become friends of the country that treated them best. He believed that the Marshall Plan would increase the German food supply, but the Germans also needed the right to institute democracy for themselves. He felt this would be accomplished if the Allies would reduce their function to only the lowest level of control. Schumacher closed by attacking wealthy Germans who he accused of not carrying their share of the load.<sup>127</sup>

Meanwhile, the United States, realizing that cooperation with the Russians over Germany was now probably impossible, began to push for the organization of a West German government. There was still a conflict between the SPD, which favored a weakened position of the Laenderrat,

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<sup>126</sup> N.Y.T., December 10, 1947, p. 2.

<sup>127</sup> Ibid., January 10, 1948, p. 7.

and the center parties, which wanted to have strong federal states.<sup>128</sup> The Americans and British, however, were trying to settle differences between the parties in order to promote their policies. To do this, they agreed to push the public ownership question to the background, since it was the main issue separating the SPD from the CDU.<sup>129</sup>

In February 1948, the SPD protested to American officials the planned visit of Dr. Rudolph Mueller, German economist and political figure, to the United States. Mueller had stated that American dollar credits to Europe would only prop up socialist governments unless the aid was given directly to private agencies. The SPD told American officials that what Mueller would say in the United States would only play into communist hands, since he was a prime example of "ruthless private capitalism."<sup>130</sup>

The SPD continued to refuse to meekly follow Allied policy. It became a "wedge" in the "cooperative spirit" that the United States was trying to promote. In March it had refused to accept governmental responsibility when the CDU-FDP coalition in the Bizonal Economic Council broke up. The SPD said it did not feel it could maintain center party support and vowed to wage aggressive opposition if the CDU remained in power.<sup>131</sup> In May the SPD once again stepped on the toes of the

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<sup>128</sup>Robert Murphy to the Secretary of State, January 30, 1948, U.S. Department of State, Foreign Relations of the United States: Diplomatic Papers, 1948, Vol. II, Germany and Austria (Washington, D.C.: U.S. Government Printing Office, 1973), p. 51.

<sup>129</sup>Ambassador Douglas to the Secretary of State, February 20, 1948, Ibid., p. 77.

<sup>130</sup>N.Y.T., February 22, 1948, p. 3.

<sup>131</sup>Ibid., March 2, 1948, p. 7.

Americans by joining with the KPD to vote down a price increase measure, supported by the United States.<sup>132</sup>

Clay remained consistent with his previous actions, in that same month. On May 26, the Hessian Landtag passed its "works council law" and submitted it to OMGUS for approval. Clay was busy at that time with the decisions of the London Conference, currency reform, and the growing Berlin crisis. He wanted to disapprove the whole act, while Robert Murphy believed it should be approved. Clay finally decided to accept the "personnel and welfare" provisions but suspended the "economic co-determination" provisions, because they "affected the commerce between states." Once again Clay had used this technicality to limit the power of the SPD and hinder its plans for socialization.<sup>133</sup>

Nearly two years had passed since Byrnes' speech at Stuttgart. In this period the United States, as personified by General Clay, and the SPD had become open antagonists. In June of 1948 the SPD stood openly for a major program of socialization. It wanted a strong central German government which would be able to effectively deal with what the SPD saw as Germany's major problems. Finally, the SPD did not desire to be a pawn of either the West or East but wished to pursue an independent course in foreign policy. The United States, on the other hand, championed the free enterprise system coupled with federalism, which it believed would provide Germany with the same benefits these systems had brought to America. OMGUS also hoped to integrate a federalized West Germany into a system to contain Soviet expansion.

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<sup>132</sup>N.Y.T., May 27, 1948, p. 11.

<sup>133</sup>John Gimbel, The American Occupation, p. 232.

With such opposing viewpoints, further conflict between the SPD and OMGUS seemed inevitable. The London Six Power Conference, which had been meeting throughout much of the Spring of 1948, was about to make recommendations which would place the hostility between the SPD and the United States in a new arena. The political battle to be joined was the debate over the founding of a new West German State.

## CHAPTER V

### THE UNITED STATES, THE SPD, AND THE FOUNDING OF THE WEST GERMAN STATE

The London Conference on Germany was based on the concept that, since cooperation with the Soviet Union over Germany was unlikely, the Western powers had to make some definite plans for Germany's future. The final decision of the conference, which was forwarded to the Military Governors and passed along to the Germans on July 1, 1948, called for the establishment of a federal system of states in the western part of Germany. The document paid lip service to the hope for eventual German unification when it referred to the situation in Germany as "at present disrupted." The German Minister Presidents were instructed to convene a "constituent assembly" which would adopt a democratic constitution for the participating states. If the constitution contained "adequate authority" and guaranteed individual rights and freedoms, the Military Governors would authorize it for ratification. If two-thirds of the states approved it, it would become binding.<sup>134</sup>

This document seems to provide adequate leeway for the Germans to have a large voice in determining their own future. However, as events revealed, whenever it was the independent ideas of the SPD the Germans wanted, the United States tried to limit their voice.

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<sup>134</sup> Richard Scammon, "Political Parties," in Governing Post-War Germany, Vol. II, ed. by Edward Litchfield (Port Washington, New York: Kennikat Press, 1972), p. 542.

It was no secret that the West was going to push for a separate German state made up of its Zones. Nearly a month before the call for a constituent assembly was made, the SPD and the CDU were voicing a lack of desire to assume the responsibility for its formation. Both Schumacher and Adenauer\* felt that the politician who accepted even a temporary division of Germany would be hurting himself and his party for the future. As long as there was a chance remaining for a unified Germany, they wanted no part of a western state.<sup>135</sup>

Events were soon to change the German intransigence. On June 28, 1948, the Soviet Union implemented a land and water blockade of Berlin. The Cold War was in danger of becoming hot. Any hope for a united Germany in the near future seemed out of the question.

By the first of July, it was reported that the German parties were ready to accept a West German state. However, they tried to maintain the appearance of not fostering separation. The SPD met and agreed to demand a change in any occupation statute presented by the Allies which did not provide for complete German control over foreign and commercial relations. Clay responded that the Allies would not promise any changed a priori. The SPD also said that the constituent assembly should adopt an "administrative instrument, not a constitution, which implied a split in the country which the SPD could not accept."<sup>136</sup>

These proposals came out of a meeting at Frankfurt at which both the SPD and CDU had attempted to decide on instructions for the Minister Presidents for their forthcoming meeting at Koblenz. Sources within the parties reported that agreements were easily reachable on some issues,

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<sup>135</sup> N.Y.T., June 5, 1948, p. 6.

<sup>136</sup> Ibid., July 8, 1948, p. 8.

\*Konrad Adenauer was the leader of the CDU.

such as a federal state, civil rights guarantees, and the powers of a supreme court. However, there were differences over the relative powers of the central and Laender governments, and over proportional representation versus single constituency representation. The SPD wanted to deal with far reaching matters, while the CDU wanted to deal with only the basics, and trust the rest to the Allies. Both parties exhibited a desire to accept sovereignty, which they felt could solve many of Germany's problems. However, they still did not want to take the chance of permanently severing the Soviet Zone from their new state.<sup>137</sup>

At a meeting of SPD members, Carlo Schmid, one of Schumacher's chief aides, declared its main goal was the unification of Germany. It would accept a West German state only as a temporary solution. However, as stated previously, even this would be unacceptable under a draft of the occupation statute which gave control over foreign trade and related internal policy to the Allies. More moderate party members, such as Wilhelm Kaisen, believed that Germany should seize every opportunity within the Frankfurt proposals to extend its sovereignty. Outright opposition to Allied proposals should be replaced with counter-proposals. All factions agreed that whatever document was produced by the Germans, it should not be called a constitution.<sup>138</sup>

The SPD was reluctant to support the Frankfurt proposals in which the call for a constituent assembly was included. Murphy believed that it was not due to a fear of sanctioning the split of Germany, as the SPD

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<sup>137</sup>Robert Murphy to the Secretary of State, July 8, 1948, FRUS, 1948, Vol. II, p. 382.

<sup>138</sup>Robert Murphy to the Secretary of State, July 9, 1948, Ibid., p. 383.



claimed, but was a result of the lack of sovereignty, as the SPD saw it, granted to Germany.<sup>139</sup> The CDU, on the other hand, favored all the "positive" aspects of the proposals. Adenauer stated that the proposals offered the German people an excellent opportunity to shape their own government.<sup>140</sup> The SPD and the United States were not drawing any closer together, but the CDU was standing right by the United States' side.

Circles near to Clay privately advised the SPD to accept the Frankfurt proposals, because if they did not, they would eventually only get less. The SPD was told it was time for the German parties to recognize the split of Germany as a fact. It was also advised to avoid the legal haggling over sovereignty, since whatever they called the new government document, it would be translated into English as a "constitution."<sup>141</sup>

Clay met with the Minister Presidents of the American Zone on July 14 and warned them that by delaying and objecting to the Frankfurt proposals, they were hurting their own cause. Clay reminded them that no matter what they did, they would be accused of dividing Germany, so they should set about to build as strong a state as was possible with the potential for full economic recovery. At a later meeting the Minister Presidents were informed that further postponements might require new decisions by the Allied governments and delay the cause of German self government.<sup>142</sup> Clay believed the SPD was responsible for

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<sup>139</sup>Ibid.

<sup>140</sup>Ibid., p. 384.

<sup>141</sup>Ibid.

<sup>142</sup>Herbert Feis, From Trust to Terror: The Onset of the Cold War, 1945-1950 (New York: W.W. Norton, 1970), p. 367.

"distinctly irresponsible "moves on the part of the Germans in causing the delays, and he felt the SPD was disregarding the seriousness of the total European situation.<sup>143</sup>

The Minister Presidents and the Military Governors met once again at Frankfurt on July 26, 1948. The meeting was a long and stormy one, which almost broke up several times. It was marked by numerous recesses and pauses for discussions among the Military Governors. Finally, the Military Governors agreed to accept a Grundgesetz, which was to be translated as the "Basic Law." They also agreed to forward the Minister Presidents recommendations on time schedules and boundary changes to their governments. In return, the Minister Presidents would conduct the election for the constituent assembly which would draft the Basic Law.<sup>144</sup>

The Germans had little choice in the summer of 1948 but to accept the Western Allies' proposals. It was evident that the status quo was not helping German recovery. By joining with the West, they were at least gaining a chance to try something new. The results could hardly produce anything worse than they already had. The choice was particularly difficult for the SPD, which still held fast to its policy of Einheit und Freiheit (Unity and Freedom) and would have preferred to deal with German domestic problems without interference from East or West.<sup>145</sup> However, as Kurt Schumacher had admitted on several occasions, for Germany the "Eastern alternative" was nonexistent. The SPD could and would deal

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<sup>143</sup>John Gimbel, The American Occupation, p. 216.

<sup>144</sup>Ibid., p. 222.

<sup>145</sup>Ibid., p. 224.

with the terms and conditions of Germany's place in Europe, but events had made the option for the West unavoidable.<sup>146</sup>

The SPD issued its public acceptance of the London Conference decisions shortly after the meeting at Frankfurt. It declared it was accepting them because they were "a step forward." The SPD claimed that, although it had many objections, the Western proposals were better than anything offered by the Soviet Union. The SPD was not willing to pay for unity with Germany's freedom.<sup>147</sup> The groundwork had been laid. It was now time to begin the actual construction of the Federal Republic.

The period from August of 1948 until May of 1949 saw a tremendous number of meetings between Germans, and between Germans and occupation officials. The purpose of the meetings was, of course, to formulate a new German government. During this period, the SPD continued to follow a policy more independent from American control than did the other parties, and this naturally resulted in continued opposition from the United States.

A preparatory constitutional committee, appointed by the Minister Presidents, met in mid-August to finalize plans for the constituent assembly. Robert Murphy reported that the United States, and the other powers, were maintaining a "hands off" attitude toward the work of the committee, and trying not to emphasize the importance of its task.<sup>148</sup>

On September, 1948, the Parliamentary Council, as the constituent assembly was called, opened its meetings at Bonn. There were sixty-five

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<sup>146</sup> John Maxwell, Social Democracy, p. 272.

<sup>147</sup> N.Y.T., August 1, 1948, p. 5.

<sup>148</sup> Robert Murphy to the Secretary of State, August 13, 1948, FRUS, 1948, Vol. II, p. 414.

members from the eleven West German Laender. The political makeup was fairly evenly divided, with the SPD and CDU each having twenty-seven members. The council called for the "rebirth" of Germany under the banner of "freedom, law, and peace." The Parliamentary Council overwhelmingly approved the seating of five delegates from blockaded West Berlin, in an advisory role. This move was promptly followed by a protest from the KPD, which condemned the Council for splitting Germany.<sup>149</sup> This act seemed only to further emphasize the necessity of the Council's task.

The future political divisions which would exist in the Federal Republic cropped up shortly after the Parliamentary Council convened. One of the first issues which brought the SPD and the CDU into confrontation was the issue of representation in the second house of the federal parliament. The SPD was supporting a plan for a "refined form" of proportional representation, while the conservatives were backing a plan which called for a single constituency majority vote.<sup>150</sup> OMGUS had no official comment on this controversy, but it is interesting to note that a group of United States senators, including J. William Fulbright, which was touring Germany voiced opposition to the concept of proportional representation. Fulbright believed that proportional representation would cause splinter groups and would play into the communist's hands. He recommended that Robert LaFollette assist the Germans in drafting their constitution.<sup>151</sup>

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<sup>149</sup> Robert Murphy to the Secretary of State, September 1, 1948, Ibid., p. 415.

<sup>150</sup> Robert Murphy to the Secretary of State, September 23, 1948, Ibid., p. 424.

<sup>151</sup> Ibid., p. 426.

Adenauer had to report to Robert Murphy in November that the prime obstacle to the early formation of a German government was the inability of his party to reconcile its views with those of the SPD.<sup>152</sup> As if to emphasize his point, the SPD promptly led the vote against electing a Bundespräsident before the unification of all Germany. The SPD motion also criticised allied interference and said the Parliamentary Council would carry out its work as mandated by the German people.<sup>153</sup>

In December, Carlo Schmid, a leading SPD member in the Council, told Murphy that the primary concern of his party was how much control the occupying powers would maintain below the federal level. Schmid warned Murphy that if the West really wanted a democratic Germany, it would have to cease interfering at all levels and in all fields as it had been doing.<sup>154</sup> Schmid revealed one of the main reasons for the SPD's opposition to federalism when he said, "While federalism all over the world implies the uniting of what was separated, it is apparently intended in our case to separate what had already been united. . . ."<sup>155</sup> This difference of opinion over the meaning of "federalism" would be a problem throughout the negotiations for the Basic Law.

The SPD's desire for independence antagonized American officials. In February, one OMGUS official was quoted as saying, "If nationalism continued to grow, it is possible that the Social Democrats may espouse

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<sup>152</sup>Memorandum of a meeting with Konrad Adenauer by Robert Murphy, November 24, 1948, Ibid., p. 424.

<sup>153</sup>Robert Murphy to the Secretary of State, November 23, 1948, Ibid., p. 447.

<sup>154</sup>Robert Murphy to Hicks, December 18, 1948, Ibid., p. 663.

<sup>155</sup>John Golay, The Founding of the Federal Republic of Germany (Chicago: The University of Chicago Press, 1948), p. 42.

it as a means to complete power in the proposed Western German state instead of forming a government in coalition with the Christian Democrats. Then you would have socialist nationalism instead of national socialism." A second official was quick to jump onto this train of thought and compared SPD "extra party" organizations to groups which the Nazis had used.<sup>156</sup>

The three Military Governors considered a draft of a Basic Law on February 16, 1949. Clay states that there was general approval of the document, but he was still concerned that it provided too much central government and did not distinguish clearly enough between the powers and responsibilities of the Laender and those of the federal government. He asked for time to further consider it.<sup>157</sup> One should note that the points to which Clay objected were precisely the ones the SPD supported.

Clay believed that the federal government was given too much power in the draft of the Basic Law over public health, welfare, labor, and the press, which had been specifically excluded by the London Conference. Clay was also particularly disturbed over what he viewed as excessive revenue raising powers given to the federal government, which he believed would destroy the independence of the states.<sup>158</sup>

This last concept caused considerable dissension among the Military Governors. Finally, Clay was able to attain a compromise which allowed the federal government considerable powers, but also left

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<sup>156</sup>N.Y.T., February 16, 1949, p. 7.

<sup>157</sup>Lucius D. Clay, Decision in Germany (Garden City, New York: Doubleday and Company, 1950), p. 421.

<sup>158</sup>Ibid.

sufficient tax powers to the Laender so as to provide their financial independence. The federal government would only be allowed to legislate in matters which affected two or more states. This proposal was presented to the Parliamentary Council for its acceptance.<sup>159</sup>

Schumacher opposed Clay's compromise proposal to the Parliamentary Council. The reason for his opposition was not only the lessening of the federal government's financial powers, it was also "a question of all the things a state needs first in order to become a real state." He said the CDU was willing to compromise with Clay on the proposals, because it wanted a loose confederation of German states, "not a viable West Germany." He accused the CDU of pandering to French interests in an attempt to follow its "traditional politics of clerical particularism."<sup>160</sup>

The Parliamentary Council took the proposal under consideration, but the revised Basic Law draft which it later submitted still did not reduce the central government's powers over financial matters enough to suit Clay. The Germans were informed that the amendments did not meet the spirit of Clay's proposals, and they were asked to reconsider. Clay blamed the intransigence of the SPD for the failure to achieve an agreement. The SPD wanted to submit the draft of the Basic Law to a plenary session without American approval. The CDU would not agree to this, and said a compromise was necessary. This put moves toward a government at a standstill.<sup>161</sup>

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<sup>159</sup>Ibid., p. 422.

<sup>160</sup>John Maxwell, Social Democracy, p. 234.

<sup>161</sup>Lucius Clay, Decision in Germany, p. 424.

The Allied Foreign Ministers, meeting at Washington in April of 1949, attempted to overcome the deadlock by informing the Parliamentary Council, via the Military Governors, that they hoped the Parliamentary Council would soon adopt a Basic Law in the London spirit. The foreign ministers transmitted another letter to the Council which stated that the West German government should be given liberty of action in administrative and legislative matters, except in a few reserved fields. They also transmitted a brief, two and one-half page occupation statute for the council's approval. Clay believed this was a great document which provided the German government all the powers it needed, as far as he was concerned, to lead a viable state.<sup>162</sup>

On April 20, the SPD met in its annual party congress. The major topic of discussion was naturally the Basic Law. Schumacher had publicly announced his intent to resist the changes in the Basic Law as advocated by the Military Governors and to support its adoption without any amendments. Clay believed Schumacher wanted increased centralized control in order to more easily implement socialization measures after the government was formed. If Schumacher could successfully defy the Allies in the matter of the Basic Law, Clay feared he could ride to victory at the polls as the "defender of the German people against the Allies."<sup>163</sup>

Clay wanted to determine just how committed American policy was to a decentralized German government, so he contacted his superiors in Washington. He received word that the United States was interested in

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<sup>162</sup>Ibid., p. 428.

<sup>163</sup>Ibid., p. 431.



the prompt formation of a West German government, hopefully without much sacrifice of federalized structure. The secret negotiations being carried on with the Russians in Berlin were the cause of the United States' desire for a prompt agreement in Bonn.<sup>164</sup>

The foreign ministers in Washington had written a second note for transmission to the Parliamentary Council whenever the Military Governors deemed it appropriate. The letter had given in somewhat to the German position on financial powers for the central government. However, Clay was unwilling to forward the vote to the Council, because it would appear as a moral victory for Schumacher. He denied that the American policy of "neutrality" had changed, but "in this instance the CDU favored federal government, which was also Tripartite policy."<sup>165</sup>

Much to his surprise, Clay was instructed to forward the letter. He warned Washington that it would lead Schumacher to conduct a campaign on an anti-occupation platform. Clay did not want this because it might foreseeably lead to an SPD victory. However, he was able to circumvent the effect of the order, by waiting till after the SPD congress to forward it. Clay achieved his desired results. Although Schumacher received strong personal support from the SPD congress, its final declaration called for discussions to negotiate amendments to the Basic Law; when Clay finally transmitted the letter on April 23, the parties were already negotiating, and the letter lost much of its political impact.<sup>166</sup> This affair was but another example in a long line of Clay's intervention.

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<sup>164</sup>Ibid., p. 432.

<sup>165</sup>Ibid.

<sup>166</sup>Ibid.

On April 24, the SPD and the CDU reached, in principle, a compromise on the Basic Law. They planned to submit it to the Military Governors at Frankfurt the next day. The question was whether or not it would be accepted. If it were, only ratification and plenary sessions would be necessary before the birth of a new German state.<sup>167</sup>

Clay was the spokesman for the Military Governors at the meeting on April 25. He reiterated to the Germans that he and his colleagues were still dissatisfied with the broad powers the Basic Law granted to the federal government in legal and financial matters. However, the Germans, after discussion, were unwilling to make further changes. This left Clay in a difficult position. He believed the extent of federalization was in his hands, because the French had agreed to accept whatever he might decide. He told the Germans that he was trying to meet the foreign ministers' instructions as well as meet the Germans' viewpoint. If an agreement were not reached soon, the Military Governors would be forced to go back to their governments for more instructions. Clay then offered a compromise which would allow the federal government to raise taxes for education, health, and welfare, and to make grants to those states which could not do it themselves. The Germans finally agreed to this compromise, and the major obstacle to acceptance of the Basic Law was eliminated.<sup>168</sup>

On May 8, 1949, the Military Governors approved, with reservations, the Basic Law for Germany, and the Federal Republic was born. One might think that, as far as the United States was concerned, future German

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<sup>167</sup> N.Y.T., April 25, 1949, p. 7.

<sup>168</sup> Lucius Clay, Decision in Germany, p. 433.

internal political matters would not be a subject for American policy. However, this was not to be the case.

Clay viewed the founding of the Federal Republic as the culmination of his work in Germany, and he viewed Schumacher, who opposed Clay's plans for West Germany, as unfit to become its leader.<sup>169</sup> Even after Clay's departure in mid-May, his successors continued to distrust the "authoritarian" and "nationalistic" character of the SPD. To American occupation officials Schumacher's behavior was "irrational, parochial, and increasingly threatening to United States' objectives in Germany." Up until the West German national elections, the United States believed it was necessary to frustrate the SPD's drive for power, if American interests were to be protected.<sup>170</sup>

Schumacher's main theme in the election campaign during the summer of 1949 was the failure of the policies of the Economic Council, controlled by the CDU, which he claimed had caused 1.3 million unemployed, high prices, low wages, and had only contributed to the wealth of the wealthy.<sup>171</sup> Unfortunately for Schumacher and the SPD, the issue was not strong enough. The August 14 elections showed the CDU winning 7,357,579 votes to 6,932,272 for the SPD. This was translated into an eight seat advantage for the CDU in the Bundestag, 139 to 131. The balance of power would be held by the other smaller parties.<sup>172</sup>

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<sup>169</sup>Lewis Edinger, Kurt Schumacher, p. 186.

<sup>170</sup>Ibid.

<sup>171</sup>John Maxwell, Social Democracy, p. 274.

<sup>172</sup>N.Y.T., August 16, 1949, p. 29.

American officials announced the United States would give strong support to the new conservative government which they hoped would be formed as a result of the elections. They were satisfied that the CDU victory was a victory for a republic which would become a strong ally of the "democratic powers" in the struggle for Europe. Officials believed a coalition between the CDU and FDP would be much easier to deal with than the SPD, and a government based on free enterprise would arouse much more sympathy in the United States than one based on socialism.<sup>173</sup>

Newsweek Magazine reported that the government resulting from the general elections would be on the side of political conservatism and economic liberalism. The magazine claimed that free enterprise had "sparked Germany's remarkable economic recovery" and the CDU victory seemed to offer more progress for Germany, plus a government which the United States would find more to its liking than one dominated by the SPD.<sup>174</sup> Time echoed this same feeling, stating that American occupation officials were pleased with the election results and hoped Adenauer and the CDU would be successful in governing Germany.<sup>175</sup>

Fortune Magazine, a "cheerleader" for the American free enterprise system, was exuberant in its praise of the election results. It claimed that all that the German people had given up by rejecting the SPD was "central planning" at home combined with "rampant nationalism." Fortune believed that the increased influence of the Catholic Church, which would

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<sup>173</sup>Ibid.

<sup>174</sup>Newsweek, August 22, 1949, p. 29.

<sup>175</sup>Time, August 22, 1949, p. 18.

be one result of the CDU victory, would be a stabilizing influence on Germany, and the economic policies of the CDU, formulated in large part by economist Ludwig Erhard, would bring continued German prosperity.<sup>176</sup>

The liberal publication, The Nation, deplored the CDU victory. It believed the conservative victory would eventually bring about a resurgence of militant nationalism of Nazi variety and blamed the United States for this on account of the preference it had shown toward the German right throughout the occupation. The Nation believed that the CDU would eventually lose popularity for its "collaboration" with the West. As much as it disliked the "return of German Toryism," it believed the SPD might ultimately benefit by putting in a year or two in opposition.<sup>177</sup>

The official OMGUS weekly news bulletin heralded the victory of the CDU in the national elections as a victory for a free economy. The recovery of the German economy was credited to the policies of CDU/CSU economist Ludwig Erhard and its election results were viewed by OMGUS as a vindication of Erhard's policies by the German people. It was believed that the socialization question would die down as a result of the outcome of the election.<sup>178</sup>

The SPD had hinted that it would be willing to participate in a "great coalition," if it were given the Ministry of Economics and allowed to implement its socialist program, but Schumacher kept waiting for Adenauer to make the first move. When the two finally did meet on

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<sup>176</sup> Fortune Magazine, October, 1949, p. 72.

<sup>177</sup> The Nation, August 2, 1946, p. 165.

<sup>178</sup> John Elliott, "Victory for Free Economy Forces," Military Government Information Bulletin, September 6, 1949, p. 3.

September 10, it was for Adenauer to announce his support of Theodor Heuss, a member of the Free Democratic Party, for Federal President. Schumacher later stated that economic differences had prevented a coalition, but one might have been possible if a moderate or left wing CDU member had been in control of the party.<sup>179</sup>

Schumacher then made it clear that if the center-right hoped to govern, it would have to find majorities on every issue. The first test came on the vote for Federal President. Schumacher was the candidate of the SPD for the post, and the Bundestag had to vote on the question twice before Heuss finally received a majority. Heuss then promptly nominated Adenauer for the post of Chancellor of the Federal Republic. Schumacher was once again the alternative candidate. On September 15, 1949, Konrad Adenauer won the post by the slimmest possible majority, 202 votes to 201.<sup>180</sup> One vote had thus insured the continuation of American supported policy in the new West German state. The American system of federalism and private enterprise was to have the chance to solve the problems of post-war Germany, not the SPD.

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<sup>179</sup>John Maxwell, Social Democracy, p. 281.

<sup>180</sup>Ibid., p. 282.

## CHAPTER VI

### THE HOME FRONT: AMERICAN DOMESTIC ATTITUDES TOWARD THE SPD

In Washington, OMGUS policy was formulated by the various branches of government: the State and War Departments within the Executive Branch, members of Congress, and so forth. OMGUS' negative attitudes toward the SPD was generally voiced by individuals within these branches. In addition, newspaper columnists, intellectuals, and influential groups were instrumental in the forming of opinion negative toward the SPD. There was also a small group of journalists and intellectuals who supported the SPD and its objectives. Some of the attitudes of both groups will be examined in this chapter.

John Foster Dulles, who served as a foreign policy advisor to several administrations, opposed two of the SPD's major aims. First, Dulles was against socialization, which he claimed would destroy Germany's adaptability. He believed socialization demanded "insulation" which could ultimately prevent the unity of Western Europe.<sup>181</sup> Secondly, Dulles was not in favor of the SPD's drive for a centralized German state. He believed that "decentralization" offered the solution to the "German Problem," and he called for the Laender to keep a "large measure of

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<sup>181</sup>John Foster Dulles, War or Peace (New York: Macmillan and Company, 1950), p. 220.

political autonomy." Dulles declared that the United States was in the position of power in Western Germany and it should impose a system of federalism.<sup>182</sup>

As mentioned previously, Robert Murphy, who was the liaison between OMOUS and the State Department, was against the SPD's plans for socialization in Germany. In fact, he had once called the American Zone of Occupation a "capitalist oasis in a socialist desert."<sup>183</sup>

George F. Kennan, the head of the Policy Planning Division within the State Department, based his hopes for Germany's future upon a united, federal Europe, of which a united Germany would be an integral part. However, for Germany to become a member of this new structure she would need to "widen her horizons" beyond narrow linguistic and national limits.<sup>184</sup> While Kennan's position was not directly opposed to the SPD, it did conflict with Schumacher's desire to rebuild Germany into a strong national state before discussing federalism for Europe.

Secretary of State Dean Acheson, who had called the German national elections in which the CDU obtained a plurality a "victory for moderation and common sense,"<sup>185</sup> was extremely outspoken in his criticism of the SPD and its leader, Kurt Schumacher. In his memoirs he has described his first meetings with Adenauer and Schumacher. He wrote that he was struck by the

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<sup>182</sup>John Foster Dulles, "Europe Must Federate or Perish," Vital Speeches of the Day, XIII (February 1, 1947), 236.

<sup>183</sup>Robert Murphy, Diplomat Among Warriors (Garden City, New York: Doubleday and Company, 1964), p. 320.

<sup>184</sup>George F. Kennan, Memoirs, 1925-1950 (Boston: Little, Brown and Company), p. 417.

<sup>185</sup>Statement by Secretary of State Acheson, August 16, 1949, U.S. Department of State, Germany 1947-1949: The Story in Documents (Washington, D.C.: U.S. Government Printing Office, 1950), p. 320.



"imagination and wisdom" of Adenauer's approach, which held the integration of Germany into Western Europe above any plans for re-unification. Adenauer's words gave Acheson "hope for a new day in Europe."<sup>186</sup>

Contrast the above opinion of Adenauer with Acheson's first impression of Schumacher, whom he called "harshly nationalistic and aggressive." Schumacher's attack on Adenauer for working with the occupation was viewed with disgust by Acheson. He accused the SPD of "currying favor" with the Russians and the voters by "baiting the occupation." The Western Powers had sacrificed too much, according to Acheson, to be played off against the Russians by the Germans.<sup>187</sup>

Secretary of Defense James Forrestal decried what he believed were British attempts to promote socialism in Bizonia. He felt that the establishment of the Bizonal Economic Council, in which the SPD held a majority, could lead to socialization. Forrestal suggested that the British should be told that they might lose American economic aid if they pushed too hard for socialization. Forrestal stated that "we did not propose to have our money used to implement a German system contrary to our own ideas."<sup>188</sup>

In Congress there was little specific discussion of the SPD, but there was one consistent voice of opposition toward the German socialists. This was Congressman John Sadowski of Michigan, the representative of a

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<sup>186</sup>Dean Acheson, The Struggle for a Free Europe (New York: W. W. Norton, 1971), p. 94.

<sup>187</sup>Ibid.

<sup>188</sup>James B. Forrestal, The Forrestal Diaries, ed. by Walter Millis with E. S. Duffield (New York: The Viking Press, 1951), p. 273.

predominantly Polish district. In July, 1947, Sadowski condemned Schumacher as a danger to the United States' plans for a democratic Germany. He called Schumacher a "Pan-German" and a fanatic who acted as if Germany were "an innocent virgin." Sadowski claimed that there was always a German leader who was ready to resort to brutal aggression. There had been Frederick the Great, Bismarck, the Kaiser, Hitler, "and now Schumacher," who Sadowski said would bear watching. He closed his condemnation of the SPD by calling for a committee investigation to make certain Germany's war potential had been completely destroyed.<sup>189</sup>

This concern over the SPD was indicated on the other side of Capitol Hill by the actions of Republican Senators Ball, Knowland, and Ferguson, who demanded that OMGUS preserve a "beachhead of private enterprise" in Western Germany. This remark, which came in December of 1947 during an Appropriations Committee hearing on the Anglo-American agreement on bizonal economics and finance, was the result of a fear that the SPD, with the British backing, would be able to block American moves to re-establish free enterprise in the combined zones. Secretary of the Army William Draper assured the committee that the United States would never allow such a thing to happen unless the German people had decided for it democratically.<sup>190</sup>

Outside government circles in the United States there was also strong opposition to the SPD. Karl Brandt, a German born economist who had served in Germany with OMGUS, voiced his disagreement with the

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<sup>189</sup>U.S. Congress, House, Speech by the Honorable John Sadowski, 80th Cong., 1st Session, July 15, 1947, Congressional Record, XCIII, 8985.

<sup>190</sup>N.Y.T., December 12, 1947, p. 8.

SPD's socialistic objectives. Brandt maintained that if the German economy was to be salvaged at all, the "discredited" concept of a collective economy had to be abandoned, and he criticised the Military Government for not eliminating all forms of collectivism.<sup>191</sup>

Both Robert Moses and J. P. Warburg were concerned with socialization measures in the Ruhr. Moses, who had done a study in the area for General Clay, opposed British attempts to promote socialization in the Ruhr and declared that the United States should maintain a strong presence in Germany to promote its interests.<sup>192</sup> Warburg, an economist, did not believe either socialism or free enterprise would provide the solution for the Ruhr. He called for a "Ruhr Coal Authority," similar to the TVA in the United States, to be created to allocate coal to Europe, and thus end the question of socialization for the Ruhr.<sup>193</sup>

Historian Felix Hirsch criticised both the SPD and the CDU for "practicing politics as usual," which he claimed had helped wreck Weimar. The specific instance to which Hirsch referred was the SPD's withdrawal into opposition after the CDU had prevented it from attaining the Directorate of Economics in the Bizonal Economic Council. To Hirsch, who believed party cooperation was essential for the future of Germany, such political behavior was not an encouraging sign.<sup>194</sup>

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<sup>191</sup>Karl Brandt, "Is there Still a Chance for Germany?--America's Responsibility," The Human Affairs Pamphlets (Henry Regnery Company, May, 1948), p. 23.

<sup>192</sup>N.Y.T., September 17, 1947, p. 14.

<sup>193</sup>J. P. Warburg, "Deadlock over Germany," Behind the Headlines, VIII (April 15, 1947), p. 26.

<sup>194</sup>Felix Hirsch, "What Future for Germany," XIII (October, 1947), 206.

Julian Bach, an American journalist who had traveled extensively in Germany, did not find the SPD's desire to implement socialization particularly disturbing. He was more concerned with the foreign policy proposals of the SPD. Bach believed that the SPD's renunciation of war guilt and the need for reparations spoke ill for the future, since the conservatives would likely be even more opposed to these concepts. Bach feared that the SPD was strong enough to put its program into practice.<sup>195</sup>

Fortune, the American business magazine, was pleased to report in September of 1948 that the United States was supporting free enterprise in Germany, and, even though Britain was "cursed" with socialism at home, it was no longer pushing for it in Germany. Fortune believed that free enterprise now had at least a "50-50" chance to be dominant in Germany.<sup>196</sup>

Harold Stassen, the Governor of Minnesota who was then a prominent figure on the national level, opposed the socialization of industry and believed that American aid to Western Europe should be granted on the condition that the British Government should refrain from supporting further nationalization of basic industries.<sup>197</sup>

Owen Young, who is known primarily for the plan dealing with German reparations from World War I which bears his name, was another strong opponent of allowing socialism to grow in Germany. Young feared

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<sup>195</sup> Julian Bach, America's Germany: An Account of the Occupation (New York: Random House, 1946), p. 239.

<sup>196</sup> Fortune Magazine, September, 1948, p. 116.

<sup>197</sup> Memorandum to Clark M. Clifford, October 16, 1947, The Papers of Clark M. Clifford, The Harry S. Truman Library.

that the nationalization of major industries which would be a result of the program sponsored by the SPD would place too much power in the hands of a central German government. This power could, according to Young, ultimately be turned against the Western Allies. He maintained that a socialistic government in Germany would be a "master" of the people and would be little different from existing communist governments.<sup>198</sup>

As one might expect, the National Association of Commerce opposed the objectives of the SPD. This organization did not believe that the United States should send loans to European countries who proposed nationalizing their industries. J. B. Fisher, the chairman of the Association's National Affairs Committee declared that the American government should insist that an accounting be rendered to show that "American dollars are not again being used to advance socialistic programs . . ." in countries such as Germany.<sup>199</sup>

Those individuals in the United States who supported the objectives of the SPD formed a small minority. Drew Middleton of the New York Times was a highly vocal critic of American policy toward the SPD. He advocated American support for any German government which upheld individual freedom. Middleton believed the United States should accept the fact that a "distasteful" socialistic government could be

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<sup>198</sup>Letter from Owen D. Young to Averell Harriman, September 12, 1947, Records of the President's Committee on Foreign Aid, The Harry S. Truman Library.

<sup>199</sup>Letter from J. B. Fisher to Senator Joseph R. McCarthy, October 31, 1947, Records of the President's Committee on Foreign Aid, The Harry S. Truman Library.

ruling Germany soon.<sup>200</sup> In his opinion, General Clay had a "blind spot" when it came to understanding the appeal of the policies of the SPD for the German people.<sup>201</sup> To Middleton, the laissez-faire economic policies of the CDU would "shock Republicans in the United States."<sup>202</sup>

Journalist Dorothy Thompson saw little hope of the German economy being successfully integrated into the capitalist world. She claimed that the Germans were used to a "highly integrated, state controlled, planned economy, which worked," and provided German workers a high standard of living. She believed the United States would eventually pay a large price in American unemployment if it attempted to force free enterprise on Germany.<sup>203</sup>

Both The Nation and The New Republic were strong journalistic supporters of the SPD. In February of 1947 The Nation declared that the most necessary step for a peaceful and democratic Germany was the socialization of major industries. It condemned the American "neutral" policy which in reality discouraged moves toward public ownership. The magazine criticised the Journal of Commerce, which had declared that the United States should prevent nationalization, since Germany could not afford to provide sufficient compensation, and voiced the opinion that the United States had not fought a war to rescue American business from bad investments.<sup>204</sup>

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<sup>200</sup> Drew Middleton, The Struggle for Germany (New York: Allan Wingate, 1949), p. 282.

<sup>201</sup> Ibid., p. 136.

<sup>202</sup> Ibid., p. 8.

<sup>203</sup> Letter from Dorothy Thompson to James F. Byrnes, July 16, 1946, The James F. Byrnes Papers, The James F. Byrnes Collection of the Robert Muldrow Cooper Library, Clemson University, Clemson, South Carolina.

<sup>204</sup> The Nation, February 8, 1947, p. 26.

Kurt Schumacher and the SPD received highly favorable treatment in The New Republic in March of 1947. The SPD was called a fairly stable entity in an unstable situation in Germany. According to The New Republic, social democracy would provide the way to a new democratic Germany. It claimed that the Western World needed "good Germans who are at the same time good international socialists." Schumacher was called the most "authentic harbinger of convalescence" in post-war Germany.<sup>205</sup>

In Mrs. Franklin D. Roosevelt, the SPD had an influential friend. The former First Lady viewed the SPD as a vital ingredient for establishing democracy in Germany. She believed that a strong democratic labor movement in Germany could lead the way to bringing Germany in as a full partner in the community of free nations.<sup>206</sup>

The Executive Council of the American Federation of Labor supported the German workers in the SPD. In a memorandum to President Truman, the Council proposed that the United States adhere to the policy that "all nations whom we aid have the inviolable right to decide democratically their own political and economic relations." The A. F. of L. declared this policy should not apply to "totalitarian" governments, but any democratic political and economic philosophy, such as that espoused by the SPD, should be acceptable to the United States.<sup>207</sup>

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<sup>205</sup> The New Republic, March 10, 1947, p. 26.

<sup>206</sup> N.Y.T., June 3, 1946, p. 8.

<sup>207</sup> Memorandum from the Executive Council of the American Federation of Labor to President Truman, December 19, 1947, The Papers of Harry S. Truman, The Harry S. Truman Library. (These papers, as well as those previously cited from unpublished collections, were generously loaned to me by my advisor, Dr. Wolfgang Schlauch.)

Carl Landauer, a former German "leftist" writing in the Journal of Modern History, voiced the opinion that democratic socialism would be the strongest force for an ethical reconstruction of Germany. This was a force that had stood more strongly than any other in the recent past for the "brotherhood of man." Regardless of its economic merits or demerits, Landauer believed that social democracy would have to play a vital role in Germany's future.<sup>208</sup>

Freda Utley, following a study she had made of the German situation, accused the United States of trying to force Germany, a nation with strong traditions and a high level of culture, to accept American institutions, like the free enterprise system. She believed this was an impossible task, especially since the United States was going about it in a belligerent, ignorant, manner.<sup>209</sup> OMGUS' treatment of the SPD is a prime example of Miss Utley's thesis.

Carl E. Schorske wrote sympathetically that the SPD had been faced with "almost insuperable" problems under the occupation. The profound hatred of Communism on the part of the SPD leaders would, according to Schorske, force them to maintain a pro-Western orientation, choosing capitalist-democracy over totalitarian-socialism.<sup>210</sup> Schorske criticised the United States for blocking attempts to socialize the

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<sup>208</sup>Carl Landauer, "The Allies and Germany's Future," Journal of Modern History, XVIII (September, 1946), 260.

<sup>209</sup>Freda Utley, The High Cost of Vengeance (Chicago: Henry Regnery Company, 1949), p. 309.

<sup>210</sup>Carl E. Schorske, "The Dilemma in Germany," Virginia Quarterly Review, XXIV (Winter, 1948), 32.



Ruhr industries and for promoting the restoration of the area to "private initiative." It was evident to Schorske that the United States, while proclaiming that the question of socialization would be left up to the German people, was trying to delay the decision until prosperity had been restored and the "entrepreneurial class" was again dominant in Germany.<sup>211</sup>

Although there was some support for the goals of the SPD among "left" leaning individuals in the United States, the majority of "informed" Americans were opposed to the SPD and its objectives. Unfortunately for German Social Democracy, it was the members of this majority who were most able to exert their influence over American policy toward Germany.

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<sup>211</sup>Ibid., p. 41.

## CHAPTER VII

### CONCLUSION

The question of whether or not the United States intentionally tried to prevent the SPD from achieving its goal of a socialist economy in a strong centralized national state has been debated since the days of the occupation.

Many of the opinions voiced in the 1950's at the height of the Cold War claimed there was little evidence to indicate that the United States opposed the SPD or aided its rival, the CDU. Harold Zink, the official historian for the American Occupation, wrote that claims of bias were exaggerated, and were probably the result of statements made later, prior to the 1953 elections. If there were any favoritism shown, Zink believes it was because the CDU favored American plans for integrating Germany into the Western defense community, which the SPD opposed.<sup>212</sup>

Political scientist Richard Scammon has reached a similar conclusion. He maintains that American occupation authorities were, on the whole, "uninterested" in politics, and the reaction they had toward German political activities was largely one of "apathy." Scammon believes that Americans who considered politics at all would have favored the CDU, which, in contrast to the SPD, advocated free enterprise,

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<sup>212</sup>Harold Zink, The U.S. in Germany, p. 337.

but he does not think there was active American support for the CDU. However, Scammon presents no discernable evidence for his conclusion, which is that the United States was neutral.<sup>213</sup>

J. S. Martin, an American attorney who had served with OMGUS in Germany, has taken a different view regarding American involvement. He is of the opinion that the presence in the Military Government of American firms, such as General Motors and Republic Steel, which had maintained pre-war arrangements with such German industries as I.G. Farben, had an effect upon OMGUS policies.<sup>214</sup> Such men would naturally be drawn toward the CDU and would have opposed SPD economic objectives.

Recent historians have continued the debate over American attitudes toward the SPD. John Maxwell believes Clay was suspicious of the SPD and the motives of Schumacher. Clay's convictions in favor of federalism and free enterprise made it nearly impossible for him to be otherwise.<sup>215</sup> Lloyd Gardner maintains that as relations with the Soviet Union were deteriorating and Clay's fears of Soviet inspired subversion increased, Clay shut off even mild forms of socialization in the western zones. The more the SPD attacked these policies, the more efforts OMGUS made on behalf of the CDU.<sup>216</sup> Gardner calls United States policy

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<sup>213</sup> Richard Scammon, Governing Postwar Germany, p. 477.

<sup>214</sup> David Childs, From Schumacher to Brandt, p. 72.

<sup>215</sup> John Maxwell, Social Democracy, p. 214.

<sup>216</sup> Lloyd Gardner, Politics and Policies, p. 131.

in Germany one of "American counter-revolution" against, among other things, the SPD.<sup>217</sup>

John Gimbel opposes the theory that the American desire to promote free enterprise played a prominent role in United States occupation policy in Germany. While he admits that there was anti-socialist bias on the part of officials like Clay, he maintains that some historians, such as Gardner, have overemphasized the effect of this prejudice in areas where it had no bearing. Gimbel cites the interpretation of Byrnes' Stuttgart speech as a prime example of this.<sup>218</sup>

On the basis of this writer's research, the evidence leaves little doubt as to the nature of American attitudes toward the SPD. There was relatively little support for the SPD in the United States. Only a few individuals, many of them "left wing" intellectuals, favored the SPD. However, these were not in a position to have a very sizeable effect on American policy.

Germany from 1945 until 1949 was a defeated enemy under military occupation. Lucius D. Clay was the American in command of that occupation, and he was firmly committed to free enterprise. He admits that, although his official policy was neutral, "it was our duty . . . to point out the merits of free enterprise."<sup>219</sup>

If one reviews American actions in the German political arena, one can easily detect the American commitment to free enterprise. The

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<sup>217</sup>Ibid., p. 146.

<sup>218</sup>John Gimbel, "Cold War: German Front," The Maryland Historian, II (Spring, 1971), 53.

<sup>219</sup>Lucius Clay, Decision in Germany, p. 293.

period from May of 1945 until September of 1946 saw American policy shift from one of punitive restrictions to one of rebuilding the former enemy's economy on the basis of free enterprise, in line with American political and economic philosophy. The SPD's demands for socialization and a centralized government did not meet the objectives of American post-war foreign policy in a rapidly polarizing world.

The crisis over the SED is an example of the United States' interest in preventing the Soviet Union from controlling a fused Socialist-Communist party in Western Germany. In this instance, the danger to American objectives in Germany appeared to be greater if the Soviet backed SED were allowed to dominate the leadership of the working class in the western zones than if the SPD and its milder form of socialism maintained working class loyalty. As a result, the United States opposed the merger of the SPD and the KPD, and the SPD remained the primary working class party in the western zones.

During the period after Byrnes' speech at Stuttgart, the SPD began to push strongly socialization of industry. Its leader, Kurt Schumacher, was a constant thorn in the side of the Western Allies, condemning their occupation policies and pointing out the necessity for socialism to be implemented in Germany. This pressure by the SPD was met with equal counter-pressure on the part of the Americans. By using the powers provided to it as an occupation force, the United States was able to successfully block SPD moves toward socialization of industry. This can be seen in the American postponement of socialization measures approved by the Germans and in the American organization of bizonal agencies and councils to reduce SPD influence, to cite only two examples.

The debates during the period in which the Basic Law was being drafted saw further antagonism between the United States and the SPD over the issue of federalism versus centralization. The Americans applied pressure throughout the discussions to convince the Germans of the need for a federally structured German republic. The SPD, whose strength in the Parliamentary Council was equal to that of the CDU, was able to produce drafts of the Basic Law which were not met with American approval. However, the United States succeeded, by threatening to return the whole question of a new German state back to the Foreign Ministers' Conference, in getting a Basic Law which contained more federal features than the SPD desired.

The attitudes and decisions of General Clay are indicative of American reaction to the aims of the SPD. His actions throughout the occupation period, from his refusal to allow the Land Hesse to implement the socialization measures of its constitution to his delay in transmitting the conciliatory letter from the Allied Foreign Ministers to the Parliamentary Council until after it could have no political benefit for the SPD, reveal how "un-neutral" American policy was in reality. As the Cold War progressed, and socialism was being equated with communism in the minds of so many people, the SPD must have appeared even more dubious with respect to American economic and political interests. Clay was in the position to effectively impose his economic and political conceptions on West Germany, and this he firmly attempted to do. Perhaps it is unrealistic to expect him to have acted otherwise.

Throughout the period of the occupation, the United States proclaimed a policy of neutrality toward German political parties, and

it must be admitted that this writer has found no evidence to indicate that OMGUS interfered in the electoral process to prevent the German people from selecting the party of their choice, be it the SPD or otherwise. However, the United States did do what conquering nations have done since the time of Caesar, and that is to attempt to impose its own systems upon the nation it has conquered, and to use that nation as a component in the foreign policy of the victorious power. American officials believed that federalism and specifically the free enterprise system offered the best hope for Germany's future, as well as Western Europe's, and above all, the containing of Soviet Communism. Due in large part to American efforts, a politically, economically, and socially stable West Germany did provide a strong bulwark against Russian pressure and aided in the containing of Soviet Communism. A party like the SPD, which stood for socialism and centralization, could be expected to be opposed by American occupation authorities, who believed in distinctly different social and economic values. This was the case in Germany from 1945 until 1949.

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APPENDIX A

MEETINGS OF THE MILITARY GOVERNORS AND MINISTERS-PRESIDENT OF  
THE WESTERN ZONES ON FUTURE GERMAN POLITICAL ORGANIZATION

DOCUMENT I

MGMP/P(48)1

1 July 1948

SUBJECT: Constituent Assembly

The Military Governors of the US, UK and French Zones of Occupation in Germany, in accordance with the decisions of their respective Governments, authorize the Ministers-President of the states of their respective zones to convene a constituent assembly to be held not later than 1 September 1948. The delegates to this assembly will be chosen in each of the existing states under such procedure and regulations as shall be adopted by the legislative body of each of these states. The total number of delegates to the constituent assembly will be determined by dividing the total populations at the last census by 750,000 or some similar figure as may be recommended by the Ministers-President and approved by the Military Governors. The number of delegates from each state will be in the same proportion to the total membership of the constituent assembly that its population is to the total population of the participating states.

The constituent assembly will draft a democratic constitution which will establish for the participating states a governmental structure of federal type which is best adapted to the eventual re-establishment of German unity at present disrupted, and which protect the rights of the

participating states, provide adequate authority, and contain guarantees of individual rights and freedoms.

If the constitution as prepared by the constituent assembly does not conflict with these general principles, the Military Governors will authorize the submission for ratification. The constituent assembly will thereupon be dissolved. The ratification will take place by each participating state by means of a referendum requiring a simple majority of the voters in each state under such rules and procedure as it may adopt. When the constitution has been ratified by two-thirds of the states, it will come into force and be binding upon all states. Thereafter, any amendment to the constitution must be ratified by a like majority of the states. Within thirty days following the coming into force of the constitution, the institutions for which it provides shall be established.

## APPENDIX B

### BASIC LAW FOR THE FEDERAL REPUBLIC OF GERMANY

#### PREAMBLE

Conscious of its responsibility before God and before man, inspired by the resolve to preserve its national and political unity and to serve world peace as an equal partner in a united Europe, the German people in the Laender Baden, Bavaria, Bremen, Hamburg, Hesse, Lower Saxony, North-Rhine-Westphalia, Rhineland-Palatinate, Schleswig-Holstein, Wuerttemberg-Baden and Wuerttemberg-Hohenzollern has, by virtue of its constituent power, enacted this Basic Law of the Federal Republic of Germany to give a new order to political life for a transitional period.

It has also acted on behalf of those Germans to whom participation was denied.

The entire German people is called upon to achieve, by free self-determination, the unity and freedom of Germany.