4

Repression versus Rehabilitation: The Problem of Germany

Moscow's nervousness over the problem of surrender made it clear that agreement on how to treat defeated enemies would be a major prerequisite for postwar inter-Allied cooperation. Since the United States had done most of the fighting against Japan, it could expect a decisive role in shaping occupation policies for that country. Hitler's European satellites presented no serious threat to future peace; moreover, by the end of 1944 the Big Three had tacitly agreed that Italy would fall within an Anglo-American sphere of influence, while the Soviet Union would assume responsibility for Finland, Rumania, Bulgaria, and Hungary. Germany, however, posed a far more difficult problem: it was the only enemy against which all three allies had fought in roughly equal proportion,[1] and in which each was determined to exert its influence to prevent still another outburst of aggression which might lead to a third world war.

The Big Three shared an obvious interest in keeping Germany under control, but unless they could agree before the end of the fighting on how to do this, disputes among the victors would almost certainly arise.

[1] The fact that the Soviet Union's casualties far exceeded those of Great Britain and the United States should not be allowed to obscure the fact that Britain fought Germany alone from June, 1940, to June, 1941, or that American industry, through lend-lease, provided much of the matériel used to bring about Germany's defeat.

Neither the Russians nor the Anglo-Americans had ever completely overcome their fears of a separate peace; both would tend to regard any conflicts over occupation policy as evidence that former allies were conspiring with a former foe. Even if such suspicions did not develop on their own, the absence of a common program would place the Germans in an excellent position to play one occupying power off against the other. Efforts to work our tripartite policies for Germany failed, however, largely because of conflict and confusion within the United States government.

The conflict revolved around whether policies of repression or rehabilitation would best keep Germany pacified. Advocates of repression, including the Treasury Department and, somewhat less firmly, President Roosevelt, saw aggressive characteristics in all Germans and argued that Hitler had accurately reflected these tendencies. The Versailles treaty had not kept the peace because it had been too lenient—after World War II the victors would have to treat Germany more severely so that successors to Hitler could not arise. Proponents of rehabilitation, centered chiefly in the State Department, likewise attributed the rise of Hitler to the Versailles settlement but blamed the pact's harshness, not its generosity. The treaty's punitive economic provisions and war guilt clause, they insisted, had led to the social and economic situation which bred Nazism. Security from future Hitlers could come only by reforming conditions within Germany so that totalitarianism would have no appeal. For this, a moderate peace would be necessary.[2]

Confusion, arising out of failure to coordinate wartime strategy with postwar political objectives, kept the Roosevelt Administration from choosing between these two approaches until it was too late. The President and his military advisers, concerned almost exclusively with winning the war, saw no need to consider plans for the occupation of defeated enemies until the end of the fighting was near. State Department officials, desperately seeking policy guidance in this field, found the military obstructive, the President preoccupied, and often gave up in frustra-

[2] For summaries of these two points of view, together with descriptions of their British and Russian counterparts, see John L. Snell, *Wartime Origins of the East-West Dilemma over Germany,* chapter 1. See also Walter L. Dorn, "The Debate over American Occupation Policy in Germany in 1944–1945," *Political Science Quarterly,* LXXII (December, 1957), 484–85.

tion. When the approach of victory made it impossible to ignore occupation policy much longer, the government moved in two directions at once. The War Department, thinking solely of the short-range problem of military government, came out in favor of repression as a matter of administrative convenience. The State Department, worried about long-range political and economic problems in Europe, continued to insist upon rehabilitation. Roosevelt lent comfort to both sides at different times, leaving the controversy unresolved at his death. The absence of a clear-cut American position precluded meaningful discussions with Great Britain and the Soviet Union prior to the end of the war, thus making divergent occupation policies in Germany virtually inevitable.

I

The debate over Germany within the Roosevelt Administration began in the spring of 1943 when British Foreign Secretary Anthony Eden came to Washington to discuss postwar issues. During the ensuing talks, Harry Hopkins expressed concern that the Allies had not yet reached an understanding "as to which armies would be where and what kind of administration should be developed." Hopkins worried that unless such agreements were made, "one of two things would happen—either Germany will go Communist or [an] out and out anarchic state would set in." The State Department, he thought, should formulate a plan in collaboration with the British, and then seek the approval of the Russians. Roosevelt agreed, instructing Hull to begin consultations with the War Department, London, and eventually Moscow on "the question of what our plan is to be in Germany and Italy during the first few months after Germany's collapse." [3]

The State Department's Advisory Committee on Postwar Foreign Policy had already initiated studies on this question, and by the end of the summer was ready with its first recommendations. The best way to guard against future aggression, the department argued, would be to en-

[3] Hopkins memorandum, conversation with Roosevelt and Hull, March 17, 1943, *FR: 1943*, III, 26; Roosevelt to Hull, March 23, 1943, *ibid.*, p. 36. For the March, 1943, discussions with Eden see *ibid.*, pp. 1–48, and Eden, *The Reckoning*, pp. 430–41.

courage the emergence of democratic institutions inside Germany. For such a policy to succeed, the peace settlement would have to be designed to provoke "a minimum of bitterness" from the German people. Occupation controls should be kept "to the minimum in number and in severity which will be compatible with security." The German economy would have to be allowed to revive to the point that it could provide "a tolerable standard of living" for the German people. Finally, the other occupying powers would have to agree on similar policies for their zones. If friction developed among the Russians, British, and Americans, Germany would be in a position to shift the balance of power from one side to another—a situation which could have disastrous consequences for future peace. Hence, the department concluded, Washington should work for a generous peace which would foster the growth of democracy inside the defeated Reich.[4]

From this it followed logically that the dismemberment of Germany would be self-defeating. Forcible partition, State Department planners believed, would contribute nothing to security: economic and military disarmament would do that. It would cause resentment among the German people, however, and would necessitate the imposition of elaborate controls to prevent surreptitious attempts at reunification. Moreover, dismemberment might lead to the formation of spheres of influence, possibly provoking conflicts among the victors. Imposed partition, one department adviser told Hull, "would be little short of a disaster both for Germany and for us." [5]

The State Department's plans for a moderate peace also precluded the use of reparations for punitive purposes. Department officials expected some of the victors, especially the Soviet Union, to demand extensive goods and services from Germany for use in reconstructing their war-damaged economies. Yet Hull's advisers feared that the indiscriminate

[4] Recommendation by the State Department Interdivisional Country Committee on Germany, September 23, 1943, printed in Notter, *Postwar Foreign Policy Preparation,* p. 559.

[5] *Ibid.,* p. 558; draft by Harley Notter of a Hull memorandum to Roosevelt, September, 1943, Hull MSS, Box 52, Folder 159. One State Department official who did support dismemberment was Undersecretary of State Sumner Welles, but his influence ceased abruptly with his resignation from the department in August, 1943. For Welles's views, see his memorandum of a conversation with Anthony Eden and Lord Halifax on March 16, 1943, *FR: 1943,* III, 19–22; and his *The Time for Decision,* pp. 336–61.

extraction of reparations would wreck what remained of the German economy, thereby ruining efforts to promote democratic institutions and possibly burdening the United States with a massive relief operation. Furthermore, economic collapse in Germany might threaten the recovery of Europe as a whole, and thus endanger the department's goal of reviving a multilateral system of world trade. "It is to the long-range interest of the United States that Germany be prosperous," the department concluded, "but that, at the same time, [the] German economy should not again be directed to war-like purposes." [6]

Ambiguities existed in the State Department's proposal. Its success would depend upon agreement by other occupying powers to implement similar policies, for democratic institutions in one zone would do little good if totalitarianism took root again in the others. Yet the Russians had thus far shown little willingness to tolerate democracy in areas under their control, and seemed unlikely to endorse any occupation plan which did not allow them a substantial volume of reparations.[7] The State Department still had to decide how much of Germany's industrial plant could be dismantled to prevent rearmament and provide reparations without causing economic chaos. But by the end of 1943 the department had accomplished more toward planning the occupation of Germany than had any other agency of government. As was so often the case in the Roosevelt Administration, however, the Chief Executive's grant of authority in this area did not give Hull and his advisers a free hand. Both the President and the War Department possessed certain prejudices regarding Germany which from the first undercut State's efforts to move toward a moderate peace.

Roosevelt's attitudes toward Germany stemmed largely from personal experiences in that country. F.D.R. had attended school there as a boy, acquiring simultaneously knowledge of the language and a strong distaste for German arrogance and militarism: "The talk among us children became stronger each year toward an objective—the inevitable war with France and the building up of the Reich into the greatest world power. Even then we were taught to have no respect for English-

[6] "U.S. Proposal with Regard to Questions of Reparations," Moscow Conference Document No. 39, October, 1943, *FR: 1943,* I, 740–41; Postwar Programs Committee memorandum, "The Treatment of Germany," August 5, 1944, *FR: 1944,* I, 312.

[7] On this point, see Harriman to Roosevelt, November 4, 1943, *FR: Tehran,* p. 154.

men and we were taught that Americans were mere barbarians, most of whom were millionaires." In 1919, as assistant secretary of the navy, Roosevelt returned to the Rhineland, now occupied by United States troops. To his disgust, he found occupation authorities reluctant to fly the American flag, lest they unduly humiliate the Germans. F.D.R. angrily complained to General Pershing, arguing that the Germans had to be made to understand in no uncertain terms that they had lost the war.[8] This determination to bring the fact of defeat home to the German people became a key element in the policy Roosevelt followed a quarter of a century later as President.

"After the first World War we tried to achieve a formula for permanent peace, based on magnificent idealism," Roosevelt told Congress in 1943. "We failed. But, by our failure, we have learned that we cannot maintain peace at this stage of human development by good intentions alone." This time, the victors would have to occupy all of Germany, plus additional strategic bases throughout the world. To guard against future aggression, Roosevelt strongly supported the division of Germany into from three to five states. Prussian militarism had led to the rise of Hitler; partition would make totalitarianism in postwar Germany impossible. "When Hitler and the Nazis go out, the Prussian military clique must go with them," Roosevelt argued; "the war-breeding gangs of militarists must be rooted out of Germany—and out of Japan—if we are to have any real assurance of future peace." [9]

The President's hopes for peacetime collaboration with the Soviet Union did much to shape his policy toward Germany. Harsh occupation policies, like unconditional surrender, appealed to him in part because he

[8] Snell, *Dilemma over Germany,* pp. 30–31; Lucius D. Clay, *Decision in Germany,* p. 5; Roosevelt to Colonel Arthur Murray, March 4, 1940, Roosevelt MSS, PSF: "Great Britain: A. Murray"; Frank Freidel, *Franklin D. Roosevelt: The Ordeal,* p. 13. "When I was eleven in 1893, I think it was, my class was started on the study of 'Heimatkunde'—geography lessons about the village, then about how to get to neighboring towns and what one would see, and, finally, on how to get all over the Province of Hesse-Darmstadt. The following year we were taught all about roads and what we would see on the way to the French border. I did not take it the third year but I understand the class was 'conducted' to France—all the roads leading to Paris." (Roosevelt to Murray, cited above.)

[9] Roosevelt messages to Congress, January 7 and September 17, 1943, *FDR: Public Papers,* XII, 33, 391. For Roosevelt's ideas on partition, see the record of his conversations with Anthony Eden, March 15 and 22, 1943, *FR: 1943,* III, 16–17, 36.

felt they would improve Russian-American relations. F.D.R. believed that Stalin wanted additional territory in Eastern Europe as protection against a resurgent Germany. Several times the President expressed the view that if German disarmament could be guaranteed, Soviet interest in Eastern Europe would wane. Roosevelt told Robert Murphy in 1944 that the occupation of Germany had to be arranged in such a way as to convince the Soviet Union of America's good intentions. Cooperation with Russia was the most important postwar objective of the United States, the President emphasized, and Germany would be the proving ground for that cooperation.[10]

Roosevelt discussed dismemberment with top State Department officials in October, 1943, shortly before Secretary Hull's departure for the Moscow Foreign Ministers' Conference. Insisting that he knew Germany better than did the department's experts, F.D.R. at first accused Hull and his advisers of exaggerating the undesirable effects of partition, but later he acknowledged sheepishly that he had not visited Germany for many years and that dismemberment might not work after all. The President's position, though ambivalent, caused Hull to skirt the issue of partition when he presented the State Department's plans to his British and Russian colleagues in Moscow later that month. There had been a tendency to favor partition "in high quarters in the United States," Hull said, "but as the discussions progressed and conflicting and often very convincing arguments were advanced for and against, there was an increasing disposition to keep an open mind on this point." Molotov and Eden agreed that the question needed further study.[11]

When the Big Three met at Teheran one month later, however, the full measure of Stalin's determination to deal harshly with Germany became apparent. The Soviet leader repeatedly emphasized the need to occupy strong positions within Germany to prevent rearmament, and at one point proposed a toast to the "liquidation" of between 50,000 and

[10] Memorandum by Sumner Welles of a conversation with Lord Halifax, February 20, 1942, *FR: 1942,* III, 521; memorandum by Jan Ciechanowski of Roosevelt's conversation with General Wladyslaw Sikorski, March 24, 1942, in Ciechanowski, *Defeat in Victory,* p. 100; Robert Murphy, *Diplomat among Warriors,* p. 227.

[11] Hull, *Memoirs,* II, 1265–66, 1287; Leo Pasvolsky minutes, Roosevelt meeting with State Department officials, October 5, 1943, *FR: 1943,* I, 541–43; minutes of the seventh meeting of the foreign ministers, Moscow, October 25, 1943, *ibid.,* pp. 631–32.

100,000 members of the German officers corps. Roosevelt offered to settle for 49,000, a "joke" which caused Churchill to stalk angrily from the room. When the President revived his plan for the dismemberment of Germany, Stalin endorsed it enthusiastically. Churchill expressed reservations, proposing instead the detachment of Prussia from the rest of Germany, but Stalin refused to go along. Prussians were no different from other Germans, he argued, they all fought like devils. The Big Three reached no final agreements, referring the German question to the newly formed European Advisory Commission, but their discussion did indicate tentative endorsement of the principle of partition. Characteristically, Roosevelt neglected to inform the State Department of this significant development.[12]

Beyond dismemberment, the President's ideas on Germany remained vague. In line with his desire to postpone political decisions until after the war, Roosevelt felt in 1943 that it was simply too early to begin planning detailed occupation policies. He was open to suggestions, but would commit himself firmly to nothing. Discussing what to do with Germany after victory was really a waste of time, the President had told a press conference in July: "I think it takes people's thoughts off winning the war to talk about things like that now." [13]

Military officials carefully avoided involvement in planning the occupation of Germany. "The formulation of long-view political, social and economic policies is properly the function of civilian agencies of the government," an officer in the Army's Military Government Division wrote in 1942; "their 'implementation,' during any period of military necessity, is the function of the military command." Army planners expected their responsibility for military government in Germany to last only until order had been restored, possibly no more than a few weeks, after which the task of occupation would be turned over to civilian authorities appointed by the United States government. "You are not politicians . . . but soldiers," General Eisenhower told a group of Civil Affairs officers

[12] Minutes, Roosevelt-Churchill-Stalin meetings of November 28 and December 1, 1943, *FR: Tehran,* pp. 509–12, 532–33, 553–54, and 600–4. See also Charles Bohlen's memoranda of November 28 and December 15, 1943, *ibid.,* pp. 513, 846–47; Lord Moran, *Churchill: The Struggle for Survival, 1940–1965,* p. 152; and Blum, *Morgenthau Diaries: Years of War,* pp. 340–41.

[13] Paul Y. Hammond, "Directives for the Occupation of Germany: The Washington Controversy," in Harold Stein, ed., *American Civil-Military Decisions,* p. 324; Roosevelt press conference, July 13, 1943, Roosevelt MSS, PPF 1-P, Vol. XXII.

under his command shortly before D-Day; "[your task is] to help us win the war." [14]

But at the same time, the Army was determined not to allow civilians to interfere in the operation of military government during the brief period when it would be necessary. Civilian meddling in three similar situations—in Southern states occupied by the Union Army during the Civil War, in the Philippines following the Spanish-American War, and in the Rhineland after World War I—had been, in the words of an Army expert on the subject, "demoralizing, costly, and ludicrous." Civilians would play a role in military government—political and economic matters could not be completely ignored in dealing with defeated enemies—but the Army hoped "to forestall their seizing its direction or control." [15]

The experience of invading and occupying North Africa seemed to confirm the wisdom of this policy. As early as July, 1942, General Eisenhower was complaining about interference from civilian officials, each of whom "feels that he has a distinct and separate mission in life and never stops to think that . . . winning the war normally involves also the Army, Navy, and Air Force." Late in November, three weeks after the landings, he wrote to General Marshall: "The sooner I can get rid of all these questions that are outside the military in scope, the happier I will be! Sometimes I think I live ten years each week, of which at least nine are absorbed in political and economic matters." Shortly thereafter Eisenhower described the civilian representatives hovering around his headquarters as "locusts," and advocated imposing "a single staff authority over the whole gang." [16]

[14] Colonel Jesse I. Miller to Colonel Edward S. Greenbaum, December 21, 1942, in Harry L. Coles and Albert K. Weinberg, *Civil Affairs: Soldiers Become Governors,* p. 56; Dorn, "Debate over American Occupation Policy," p. 487; Forrest C. Pogue, *The Supreme Command,* pp. 83–84. See also Coles and Weinberg, *Civil Affairs,* pp. 19–20, 26. The Army established a School of Military Government at Charlottesville, Virginia, in the spring of 1942 to train officers for the tasks of military government. Charges that the school was turning out American *gauleiters* caused the Army to become especially sensitive to the need to keep this training free from political overtones. On this point, see Stimson and Bundy, *On Active Service,* pp. 553–54; and Hajo Holborn, *American Military Government: Its Organization and Policies,* pp. 3–4.

[15] Miller to Greenbaum, July 23 and 30, 1942, in Coles and Weinberg, *Civil Affairs,* pp. 16, 17–18.

[16] Eisenhower to General Brehon Somervell, July 27, 1942, *Eisenhower Papers,* I,

Hoping to avoid the mistakes of North Africa before reaching enemy territory, the Army in March of 1943 established a Civil Affairs Division within the War Department to coordinate political and economic planning as it affected military government. The division was supposed to refrain from policy-making, which the Army still regarded as a civilian responsibility, but to ensure that the execution of policy during periods of military government came under Army control. War Department planners quickly realized, however, that the best way to control the execution of policy was to impede the formulation of it. The Joint Chiefs of Staff decided in April that "requirements of secrecy and security" precluded consulting civilian agencies about occupation policy prior to launching military operations. By May, General John Hilldring, director of the Civil Affairs Division, had informed State Department officials "that they would have to take second place to the War Department in questions of military government," and was working to commit other government agencies to this principle.[17] Resolved on the one hand to avoid making policy itself, but determined on the other not to let civilians interfere, the Army fell back on the simple practice of evaluating occupation measures in terms of whether or not they accorded with the nebulous doctrine of "military necessity."

But even this non-policy had political and economic implications. No one knew for certain how long military government would last. Occupation measures implemented solely on the basis of "military necessity" could well undermine long-range plans for the treatment of Germany being considered in the civilian branches of the government. Despite its studied position of policy neutrality, therefore, the War Department's attitudes would significantly affect the manner in which Americans administered their occupation zone.

The contradictions implicit in the views of the State Department, the War Department, and the White House pointed up the need for closer

423; Eisenhower to Marshall, November 30, 1942, *ibid.*, II, 781; Eisenhower to Major General George V. Strong, December 4, 1942, *ibid.*, II, 794. See also Coles and Weinberg, *Civil Affairs*, pp. 30–31; and Holborn, *American Military Government*, p. 7.

[17] Hammond, "Directives for the Occupation of Germany," pp. 320–21; Joint Chiefs of Staff to Secretaries Stimson and Knox, April 10, 1943, in Coles and Weinberg, *Civil Affairs*, p. 70; minutes, War Department General Council meeting, May 31, 1943, *ibid.*, p. 97; Merle Fainsod, "The Development of American Military Government Policy During World War II," in Carl J. Friedrich and associates, *American Experiences in Military Government in World War II*, p. 31.

coordination between these agencies of government before any definitive United States recommendations on the treatment of Germany were submitted to the British and the Russians. No such coordination had taken place, however, by the end of 1943. The State Department had formulated a comprehensive long-range plan for the occupation of Germany, but had not yet reconciled it with the attitudes of the President and the War Department. Roosevelt had informally discussed the German question with Churchill and Stalin at Teheran, but had not informed the State Department of the purport of these conversations. The War Department, preoccupied with "military necessity," had resolved to consult civilians on the question of Germany as little as possible. Meanwhile, plans were under way to establish an Anglo-American-Soviet commission to work out common policies for the surrender and occupation of defeated enemies, a development which found the United States government seriously unprepared.

II

The Grand Alliance, like other coalitions in world history, was held together primarily by hatred for a common enemy. Hitler's defeat would remove the alliance's chief reason for existence, raising the question of whether the British, Russians, and Americans could overcome inevitable differences in national interests to continue cooperation in the postwar period. Fear on the part of any one ally that his associates were conspiring with his enemies would make such collaboration impossible, hence the need for agreement on common policies for the occupation of Germany before the fighting stopped. Neither the Big Three nor their foreign ministers had sufficient time or energy to resolve such a complex issue themselves, as their inconclusive talks at Moscow and Teheran had shown. Washington's inadequate integration of wartime and postwar planning wrecked a promising effort to work out occupation policies at the tertiary level—through the European Advisory Commission.

The EAC evolved from the military-political commission which Stalin had pressured his Anglo-American allies into establishing in September, 1943, following the surrender of Italy.[18] Despite their reluctance to give

[18] On this matter, see chapter 3.

the Russians a major role in the occupation of that country, the British saw little reason to postpone consideration of general political issues. Accordingly, at the Moscow Foreign Ministers' Conference in October, Anthony Eden suggested transforming the military-political commission into an advisory council for Italy and creating a new tripartite European Advisory Commission, located in London, to handle not only negotiations with defeated enemies but all political matters which the Big Three chose to refer to it. Eden's proposal quickly won Soviet approval. The Americans were less enthusiastic, but Hull warily accepted Eden's plan after stipulating that it would not preclude use of regular diplomatic channels if these were considered desirable. As finally agreed in the Moscow Conference protocol, the EAC was assigned the broad task of "making recommendations to the three Governments upon European questions connected with the termination of hostilities." In addition, it was specified that one of the commission's first jobs would be to furnish detailed suggestions on "the terms of surrender to be imposed upon each of the European states with which any of the three Powers are at war, and upon the mechanism required to ensure the fulfillment of those terms." [19]

But the United States quickly moved to restrict the EAC's role as much as possible. Secretary of State Hull instructed Ambassador John G. Winant, American representative on the commission, to avoid discussing general political questions, limiting his activities instead to drawing up surrender terms and organizing joint occupation machinery for defeated enemies. Winant protested this narrow grant of authority, pointing out that the British wanted the EAC to deal with establishment of control in all countries, friendly and unfriendly, occupied by the Allies. "If we present the Russians only with *faits accomplis* on these subjects, as we were obliged to do in the case of Italy, we can only expect to learn of their actions and policies in Eastern Europe in a similar manner." Winant's complaints evoked no sympathy among Washington officials, most of whom were motivated, as George F. Kennan later observed, "by a

[19] *FR: 1943,* I, 554, 571–72, 605–8, 706, 710–11, 756–57. For British motives in proposing establishment of the EAC, see Eden, *The Reckoning,* pp. 476, 492–93; Sir Llewellyn Woodward, *British Foreign Policy in the Second World War,* p. 246*n;* and Philip E. Mosely, "The Occupation of Germany: New Light on How the Zones Were Drawn," *Foreign Affairs,* XXVIII (July, 1950), 581.

lively concern lest the new body should at some point and by some mischance actually do something." [20]

Winant's instructions reflected the Roosevelt Administration's reluctance to make postwar political commitments before the end of the war. Late in 1943, the President had emphasized to the Joint Chiefs of Staff the need to keep the EAC a purely advisory body—to ensure that the Big Three made all major decisions. Others within the Administration, remembering 1919, feared that any secret political arrangements made during the war might provoke a resurgence of isolationism inside the United States. "If we get the war being run from London," Secretary of War Stimson proclaimed, "we will have the United States isolationist when the end of the war comes." Assistant Secretary of War John J. McCloy echoed this sentiment:

> On every cracker barrel in every country store in the U.S. there is someone sitting who is convinced that we get hornswoggled every time we attend a European conference. European deliberations must be made in the light of the concepts of the new continent because that continent has now, for better or for worse, become a determining factor in the struggles of the old one. What may be lost through not moving to London in the way of better and more accessible records or a greater familiarity with local conditions, will be made up in a readier assumption of responsibility on the part of the U.S. and perhaps in a greater obectivity of decision.

Still others, including Secretary of State Hull, worried that if the EAC took up political questions it would impair the authority of the future collective security organization. "I believe that you will appreciate the possible long-term repercussions on American public opinion," Hull told Winant, "should the impression be gained that this Commission . . . is secretly building the new world." [21]

Even with its authority restricted to the surrender and occupation of defeated enemies, the EAC could have served as a valuable forum for tripartite discussions on Germany had Washington cooperated. But inade-

[20] Hull to Winant, December 23, 1943, *FR: 1943,* I, 812; Winant to Hull, January 4 and 6, 1944, *FR: 1944,* I, 1–3, 10; Kennan, *Memoirs,* p. 166.

[21] Joint Chiefs of Staff minutes, meeting with Roosevelt, November 15, 1943, *FR: Tehran,* pp. 197–98; Stimson Diary, October 28, 1943, Stimson MSS; McCloy to Harry Hopkins, November 25, 1943, *FR: Tehran,* p. 418; Hull to Winant, January 9, 1944, *FR: 1944,* I, 12. See also Dorn, "Debate over American Occupation Policy," p. 488.

quate coordination of wartime and postwar planning created a bureaucratic snarl within the Roosevelt Administration which made it virtually impossible for the American representative on the EAC to take any action at all. Representatives from the State, War, and Navy departments had established in December, 1943, a joint body known as the Working Security Committee to draw up instructions for Winant. Before these could be sent, however, each representative had to clear them with his own department, thus giving each agency a veto over what proposals Winant could make in the EAC. Securing State and Navy Department clearance created no serious problems. But War Department representatives, made up of officers from the Civil Affairs Division, at first refused to take any part whatever in drafting instructions for Winant, arguing that the occupation of defeated enemies was purely a military matter. When, upon receipt of orders from above, CAD officers did agree to participate in the Working Security Committee, they seemed reluctant to approve any policy at all, at one point even vetoing a reply to a telegram from Winant asking when he could expect instructions. Negotiating with CAD officials, State Department representatives came to feel, required every bit as much patience as dealing with the Russians themselves.[22]

There were several reasons for this difficulty. Since its formation in the spring of 1943, the Civil Affairs Division had carefully avoided involving itself in the formulation of occupation policy, hoping to allow maximum discretion to Army commanders during periods of military government. Consequently, Division officers required weeks of study before they could pass judgment on State Department proposals. But this was not the whole problem. The Joint Chiefs of Staff also had to clear instructions to Winant before War Department representatives on the Working Security Committee could endorse them. But the Joint Chiefs, presumably seeking to stay out of policy-making in "political" fields, refused to consider papers which had not received final State Department approval. The State Department, not wanting to trespass on "military" matters and hoping to allow Winant negotiating room, submitted only tentative suggestions which would not become official policy until approved by the Working Security Committee, and then by the EAC. The

[22] Hammond, "Directives for the Occupation of Germany," pp. 329–30; Mosely, "Occupation of Germany," pp. 583–86.

resulting stalemate might have been circumvented had some mechanism existed for coordinating policy between the civilian and military agencies of government. But efforts to establish such a mechanism had failed because the Joint Chiefs, for reasons of security, refused to allow civilian officials access to their deliberations. Since both Roosevelt and the War Department distrusted the EAC anyway, neither made any serious effort to resolve the problem. All of this left Winant, in the words of one of his assistants, "stranded without instructions on the policy that he should follow, without freedom to propose a policy of his own, and without a mandate to comment on the policies proposed by other member countries." [23]

The chaotic manner in which the United States government finally arrived at a policy on German occupation zones illustrated vividly the consequences of this failure of coordination. Late in 1943 the State Department submitted to the Working Security Committee a plan to draw the zones in such a way that all three occupying powers would have access to Berlin. CAD representatives on the committee refused to consider this proposal, arguing that zonal boundaries were military matters, and would probably be determined by the location of each nation's armies at the end of hostilities. Early in 1944, the British placed before the EAC a plan to divide Germany into three zones, with the Russians in the east, the Americans in the southwest, and the British in the northwest. Berlin was to be an area under tripartite responsibility lying deep within the Soviet zone. The Russians quickly indicated their approval. Winant was without instructions, however, and could only report these developments to Washington with the comment that he "would appreciate being informed as to our present position on this question." [24]

[23] Hammond, "Directives for the Occupation of Germany," pp. 330–33; Penrose, *Economic Planning for Peace,* p. 233. Walter L. Dorn, who advised the War Department on civil affairs in Germany during this period, later observed: "Nothing is more apparent than the anxious solicitude on the part of the War Department to keep the American Army of Occupation out of politics, while the Department of State and the American Delegation in E.A.C. seemed determined to saddle this army with a whole shoal of essentially political tasks which threatened to outrun the limited administrative capabilities of an army of occupation." ("Debate over American Occupation Policy in Germany," p. 487.)

[24] Mosely, "Occupation of Germany," pp. 586–89; William M. Franklin, "Zonal Boundaries and Access to Berlin," *World Politics,* XVI (October, 1963), 8–9, 13–15; Winant to Hull, February 16, 1944, *FR: 1944,* I, 173. For the British and Russian proposals on zonal boundaries see *ibid.,* pp. 150–53, 177–78.

These developments caught the Civil Affairs Division off guard, causing it to revise its previous position that the EAC should not deal with occupation zones. Late in February, 1944, it sent to the State Department for referral to Winant a Joint Chiefs of Staff memorandum, prepared three months earlier, proposing very different zonal boundaries from those under consideration in the EAC. This plan gave the United States a huge northwest zone bordering on Berlin, with noticeably smaller zones for the Russians in the east and the British in the southwest. It pushed back the boundary of the Soviet zone, which the British and the Russians had already agreed on, from 50 to 150 miles to the east. It cut across existing German administrative boundaries, and made no provision for tripartite occupation of Berlin. It neglected to draw zonal boundaries all the way to the Czech-German frontier, thus leaving undefined the border between the British and Soviet zones. Efforts to elicit some clarification of this extraordinary plan from War Department representatives on the Working Security Committee proved unavailing, so the State Department simply forwarded this strange document to Winant with the comforting assurance that it would be "self-explanatory." [25]

It was hardly that. Winant refused to submit the plan to the EAC and dispatched his counselor, George F. Kennan, back to Washington to protest. Kennan quickly cleared up the matter by going directly to the President. The War Department's proposal, Kennan found, stemmed from a rough sketch of German occupation zones which Roosevelt had casually drawn on a National Geographic Society map for the Joint Chiefs of Staff in November, 1943. Subsequent discussions in the EAC had made presentation of this proposal unfeasible, as Roosevelt readily acknowledged. But officials in the Civil Affairs Division, confronted unexpectedly with the need to instruct Winant on zonal boundaries, had resurrected the plan and insisted on its submission to the EAC, regardless of the unfortunate effect this would have had on negotiations there. State Department reservations about this procedure had been turned aside by the assertion that the plan represented the wishes of the Com-

[25] Stettinius to Winant, March 8, 1944, enclosing C.C.S. 320/4 (Revised), prepared by the Joint Chiefs of Staff and dated December 4, 1943, *FR: 1944,* I, 195–96; memorandum by George F. Kennan, April 4, 1944, *ibid.,* pp. 208–9; Franklin, "Zonal Boundaries," pp. 17–18; Mosely, "Occupation of Germany," pp. 591–92. See also a State Department map, illustrating the differences between the JCS proposal and that accepted by the British and the Russians, in *FR: 1944,* I, facing p. 196.

mander in Chief, and hence was not subject to negotiation. Highly amused by this set of events, F.D.R. quickly shelved the War Department document and authorized Winant to accept the zonal boundaries proposed by the British and the Russians.[26]

Roosevelt's action failed to break the stalemate over occupation zones, however, for though willing to accept the boundaries suggested by the British, he objected strongly to their assignment of southwestern Germany as the American area of responsibility. The President had been led by Admiral William D. Leahy, former ambassador to Vichy, to expect a postwar revolution in France, a development which would threaten the Army's lines of communication if United States troops were occupying southwestern Germany. " 'Do please don't!' ask me to keep any American forces in France," F.D.R. had written Churchill in February. "I just cannot do it! I would have to bring them all back home. . . . I denounce and protest the paternity of Belgium, France and Italy. You really ought to bring up and discipline your own children. In view of the fact that they may be your bulwark in future days, you should at least pay for their schooling now!"

Roosevelt failed to sway the Prime Minister, however, and at length the President's military advisers persuaded him to accept the southwestern zone, largely on grounds that existing troop deployments would make it easier for Americans to occupy that part of Germany. But F.D.R. insisted that the British give the United States two enclaves in their northwestern zone at the ports of Bremen and Bremerhaven. American military authorities went to great lengths to negotiate with the British a precise agreement allowing access to these ports from the United States zone. Ironically, in view of later events, the War Department continued to resist efforts to make similar arrangements with the Russians for access to Berlin, arguing that this was purely a "military" matter which commanders on the scene could work out during the actual invasion of Germany.[27]

[26] Kennan, *Memoirs,* p. 171; Hull to Winant, May 1, 1944, *FR: 1944,* I, 211. See also Franklin, "Zonal Boundaries," pp. 18–19. The map on which Roosevelt sketched his plan for occupation zones is reproduced in Matloff, *Strategic Planning, 1943–44,* facing p. 341. Joint Chiefs of Staff minutes of their meeting with Roosevelt, which took place on November 19, 1943, are in *FR: Tehran,* pp. 253–56, 261.

[27] Roosevelt to Churchill, February 29, 1944, *FR: 1944,* I, 189. See also Franklin, "Zonal Boundaries," pp. 19–21; and Mosely, "Occupation of Germany," pp. 593, 596–97, 604. Harold Macmillan later observed that "Admiral Leahy was one of those

The EAC was not a totally useless organization. In addition to its tortured but eventually fruitful work on occupation zones, the commission managed after tedious negotiations to hammer out tripartite agreements on surrender terms and control machinery for Germany.[28] But these represented merely the framework, not the substance, of a common policy. More significant than the agreements reached in the EAC were the matters which could not be submitted to it at all because of imperfect political-military coordination in Washington. The most important of these concerned the question of reparations.

Realizing the urgency of settling the reparations issue with the Russians, the State Department early in 1944 submitted to the Working Security Committee for referral to the EAC a set of general recommendations on the economic treatment of Germany, together with specific suggestions on reparations policy. The Joint Chiefs of Staff held these documents for two months, then refused to approve them because plans for military operations against Germany had not progressed far enough to determine how they would be affected by these economic proposals. State Department officials carefully rewrote their suggestions, pointedly emphasizing their nonmilitary character, but these also failed to clear the Joint Chiefs. Hoping that successful landings in France might have changed the military's attitude, the State Department tried once again late in July, this time submitting a lengthy general statement of policy on the postwar treatment of Germany. Again the Joint Chiefs waited for two months, then informed the department that while the papers in question contained "important considerations of military interest," these were "so involved with important political considerations as not to be separable into sections." The Joint Chiefs blandly suggested resubmitting the document to the Working Security Committee, on which, they somewhat superfluously pointed out, "there is military representation." [29]

men who, although unable to converse with any Frenchman in intelligible French, believed himself the supreme exponent of the French mentality." (*The Blast of War*, p. 160.)

[28] These agreements are printed in *FR: Yalta*, pp. 110–27.

[29] Hammond, "Directives for the Occupation of Germany," pp. 336–38; James C. Dunn to Admiral William D. Leahy, July 22, 1944, *FR: 1944*, I, 251–52; Leahy to Hull, September 29, 1944, *ibid.*, p. 343. Undersecretary of State Stettinius had informed Winant on June 10, 1944, that both the War Department and the Joint Chiefs were pressing for action in the EAC now that the invasion of France was in progress. (*Ibid.*, p. 233.)

Not surprisingly, State Department officials soon began to consider the possibility of bypassing the Working Security Committee, and hence the EAC, to get reparations talks with the Russians under way. Tripartite agreement on German economic policy was urgent, Hull advised Winant in August, 1944, and "in view of the need for instituting discussions in the near future it may be impracticable to proceed through EAC." Winant agreed. Reparations policy could not be established without agreement on an over-all economic program for Germany, he advised the department, and this in turn would require study of the European economy as a whole, a subject far beyond the commission's limited mandate.

Winant suggested holding reparations talks in Moscow so that Russian negotiators could refer quickly back to their government for instructions, thus eliminating one frequent source of delay in the EAC. The ambassador discreetly avoided reference to the other great impediment to EAC operations—clearance problems in Washington—but Philip E. Mosely, his political adviser, noted shortly thereafter:

> One of these days we shall have to agree on a lot of policies with regard to Germany, and unless we can have some papers approved by the JCS [Joint Chiefs of Staff] we shall be in a position of merely commenting on the carefully prepared British papers or charging with a feather duster at . . . Russian statements of policy. . . . [There is] danger of a breakdown of tripartite understanding with respect to Germany if our EAC delegation here cannot be provided in advance with statements of US Government policy. After all tripartite policy with regard to Germany is the real touchstone of Allied post-war cooperation. . . . It was for this reason that I suggested to the Ambassador that it might be valuable to propose having reparation discussions in Moscow.

Negotiations failed to get under way in the fall of 1944, however, because of the sudden outbreak of controversy within the Roosevelt Administration over the Morgenthau Plan. "Speed on these matters is not an essential at the present moment," Roosevelt advised Hull on October 20. "I dislike making detailed plans for a country which we do not yet occupy." [30] As a result, American officials made no effort to discuss repa-

[30] Hull to Winant, August 16 and 22, 1944, *FR: 1944,* I, 271–72, 276; Winant to Hull, August 14 and 19, 1944, *ibid.,* pp. 274–76; Mosely to James W. Riddleberger, September 5, 1944, *ibid.,* pp. 331–32; Roosevelt to Hull, October 20, 1944, *FR: Yalta,* p. 158. For the effect of the Morgenthau controversy in postponing negotiations

rations with the Russians until early 1945, when Roosevelt and Churchill met Stalin at Yalta.

"I do not think that any conference or commission created by governments for a serious purpose has had less support from the governments creating it than the European Advisory Commission," Winant complained in the fall of 1944; "at least I do not know of any like example in recorded history." The EAC had established the machinery for the occupation of Germany, but attempts to move beyond this to the content of policy had failed, chiefly because American military authorities would not clear instructions to Winant on nonmilitary matters. The War Department and the Joint Chiefs of Staff refused to allow civilian agencies to formulate long-range policy for Germany lest this impair in some way the freedom of action of the Army's military governors. Determined to stay out of policy-making itself, the military nevertheless shaped the course of future events by preventing anyone else from making policy. But Army authorities could never have maintained this paradoxical position had they not had at least tacit support from the White House. Seeking to preserve *his* freedom of action in the political sphere, Roosevelt had always regarded the EAC warily: "We must emphasize the fact that the European Advisory Commission is 'Advisory' and that you and I are not bound by this advice," he reminded Hull late in 1944; "if we do not remember that word 'advisory' they may go ahead and execute some of the advice, which, when the time comes, we may not like at all." [31]

III

Anglo-American forces landed in Normandy in June of 1944, and by the end of July had broken out of their beachheads to begin driving the Germans out of France. "The enemy in the West has had it," an intelligence summary from General Eisenhower's headquarters concluded late in August; "two and a half months of bitter fighting have brought the end of the war in Europe within sight, almost within reach." Even the

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with the Russians on Germany, see Moseley, "Occupation of Germany," p. 596; and McNeill, *America, Britain, and Russia,* p. 491.

[31] Winant to Hull, October 7, 1944, *FR: 1944,* I, 351; Roosevelt to Hull, October 20, 1944, *FR: Yalta,* p. 158.

normally cautious General Marshall succumbed to this mood of optimism, advising his senior commanders on September 13 that the war against Germany would probably end before November. The rapidly changing military situation made all the more urgent the need for Washington officials to decide how they would treat the Germans after V-E Day, and to secure their allies' approval of these plans. As Secretary of War Stimson later observed, "The armies had outrun the policy makers." [32]

Under these circumstances, the consistent reluctance of the Joint Chiefs of Staff to approve proposals for the postwar treatment of Germany failed to stop such planning; it simply caused government officials who needed guidance in this field to seek it through channels other than the Working Security Committee. In the spring of 1944, President Roosevelt had formed an interdepartmental Executive Committee on Economic Foreign Policy, made up of representatives from the State, Treasury, Agriculture, Commerce, and Labor departments, the Foreign Economic Administration, and the United States Tariff Commission. The War Department was not represented. Encouraged by this omission, the State Department in June decided to submit to the ECEFP the general statement on economic policy for Germany which it had been unable to clear through the Working Security Committee. Department officials realized that some form of interdepartmental consultation would have to take place in Washington before this document could serve as a basis for eventual reparations talks with the Russians. The ECEFP considered the State Department's plan for two months, and after making some revisions approved it on August 4, 1944.[33]

The resulting document reflected the State Department's continued support for a moderate peace as the best guarantee against future aggression. While it called for measures which would guarantee payment of

[32] SHAEF Weekly Intelligence Summary, August 26, 1944, quoted in Pogue, *Supreme Command,* pp. 244–45; Marshall to senior commanders, September 13, 1944, *Eisenhower Papers,* IV, 2117; Stimson and Bundy, *On Active Service,* p. 566. See also Hammond, "Directives for the Occupation of Germany," pp. 340–41.

[33] Hammond, "Directives for the Occupation of Germany," p. 342. State Department officials had not yet decided to hold reparations talks outside the EAC at the time that they submitted their economic proposals to the ECEFP. Their original intent had been not to bypass the Joint Chiefs of Staff but to improve their bargaining position with that body by securing prior ECEFP endorsement of their plan. (*Ibid.,* p. 343.)

restitution and reparations to Germany's victims, prevent reconversion of the German economy to war purposes, and eliminate "German economic domination in Europe," the plan also proposed integrating the defeated Reich into "the type of world economy envisaged by the Atlantic Charter." This would require maintaining a tolerable standard of living and would preclude indiscriminate destruction of Germany's industrial capacity. Punitive policies would not work: "An indefinitely continued coercion of more than sixty million technically advanced people . . . would be at best an expensive undertaking and would afford the world little sense of real security." [34]

Meanwhile, similar proposals for the occupation of Germany were under discussion at Supreme Headquarters, Allied Expeditionary Forces, in Great Britain. In preparing for the invasion of Western Europe, General Eisenhower had set up "country units" within the SHAEF organization to plan civil affairs operations in liberated and enemy territories. Since Anglo-American forces were likely to move into Germany within a few months, the German "country unit," in the absence of firm directives from Washington, quickly found it necessary to begin drawing up specific guidelines for the use of military government authorities. By August, 1944, it had produced a *Basic Handbook for Military Government of Germany.*[35]

SHAEF's "country unit" planners were chiefly civilian experts who had been recruited into the Army, however, and their guidelines for Germany differed from the War Department's doctrine of "military necessity" in several important ways. The SHAEF handbook emphasized the need for centralized tripartite administration of occupied Germany

[34] "Germany: General Objectives of United States Economic Policy with Respect to Germany," memorandum by the Executive Committee on Economic Foreign Policy, approved August 4, 1944, *FR: 1944,* I, 278–87. See also "The Treatment of Germany," a memorandum by the State Department Committee on Postwar Problems, dated August 5, 1944, *ibid.,* pp. 306–25; Hammond, "Directives for the Occupation of Germany," pp. 342–46; Blum, *Morgenthau Diaries: Years of War,* pp. 331–32; and John L. Chase, "The Development of the Morgenthau Plan Through the Quebec Conference," *Journal of Politics,* XVI (May, 1954), 327–28.

[35] Dale Clark, "Conflicts over Planning at Staff Headquarters," in Friedrich and associates, *American Experiences in Military Government,* pp. 211–17. See also Pogue, *Supreme Command,* p. 353; and Harold Zink, "American Civil-Military Relations in the Occupation of Germany," in Harry Coles, ed., *Total War and Cold War: Problems in Civilian Control of the Military,* pp. 212–15.

rather than the Army's policy of seeking maximum freedom of action for military government authorities in the American zone. SHAEF's planners seemed to place the economic welfare of the German people above the interests of the occupying army, a view which the Army's recently revised field manual on military government had explicitly repudiated. But most important, the SHAEF handbook assumed that the end of the war would find the German governmental and economic structure intact, prepared to serve the purpose of the occupying authorities. General Eisenhower had warned the Combined Chiefs of Staff on August 23, 1944, that there probably would be no functioning German government to surrender to the Allies, and that under the circumstances he as supreme commander felt unable to assume responsibility for control and support of the German economy.[36] Hence, the Army was on the verge of repudiating the SHAEF handbook at the moment of its appearance.

This proved not to be necessary, however, for the handbook, together with the State Department's proposals for the economic treatment of Germany, recently approved by the ECEFP, provoked a violent outburst from an agency of government not hitherto involved in planning occupation policy—the Treasury. The resulting furor drastically altered the direction of postwar planning for Germany within the United States government and prevented any serious consultation with the other occupying powers until the summer of 1945, several months after the surrender of Germany.

Assistant Secretary of the Treasury Harry Dexter White had sat in on discussions of the State Department's plan in the ECEFP during the summer of 1944. At the same time Colonel Bernard Bernstein, a former Treasury official, had been keeping his old department advised on SHAEF planning from his vantage point in the Finance Division of the German "country unit." Their observations produced fruit early in August, 1944, when Treasury Secretary Henry Morgenthau, Jr., made a trip to Europe. During the flight, White showed Morgenthau the ECEFP document, while in England Bernstein summarized the substance of SHAEF's handbook. Both struck the Treasury Secretary as too soft on

[36] Clark, "Conflicts over Planning at Staff Headquarters," pp. 218–19; Penrose, *Economic Planning for Peace,* p. 242; Eisenhower to the Combined Chiefs of Staff, August 23, 1944, FWD 13128(SCAF 68), Eisenhower MSS. For a summary of the Army field manual on military government, see Fainsod, "Development of American Military Government Policy," pp. 31–34.

Germany, and he immediately began a campaign to replace them with a harsher program which came to be known as the Morgenthau Plan.[37]

Morgenthau and White first enunciated this plan at a meeting with Ambassador Winant and several of his advisers outside London on August 12. Too many Englishmen and Americans, Morgenthau argued, were leaning toward a "soft" peace, the same mistake made after World War I. The only sure way to prevent future wars would be to eliminate not only Germany's war-making capacity but its industrial plant as well, converting that nation into a "pastoral" country. Specifically, Morgenthau objected to indications that occupying forces planned to assume responsibility for the German economy. Economic chaos would be a good thing, the Treasury Secretary thought—it would bring the fact of defeat home to the German people. There should be no attempts to set up a "WPA" program in the ruins of the Third Reich.[38]

Morgenthau's plan evoked a mixed reaction. Winant remained noncommittal, but two of his assistants, Philip E. Mosely and E. F. Penrose, argued strongly against the idea. Mosely warned that any attempt to wreck Germany's industry would make that country dependent on Russia, thus opening all of Europe to Soviet domination. Penrose pointed out that an agricultural economy could not support the population of Germany, whereupon Morgenthau suggested dumping surplus Germans in North Africa. British Foreign Secretary Anthony Eden endorsed the general idea of toughness toward Germany, but maintained a discreet silence regarding the merits of Morgenthau's specific proposal. General Eisenhower admitted to Morgenthau that he had not thought much about postwar treatment of Germany, but he enthusiastically supported elimination of German war plants. Back in Washington, Secretary of State Hull seemed sympathetic, reminding Morgenthau of his proposal, vigorously applauded by the Russians at Moscow the year before, to shoot all German and Japanese leaders upon capture. Only Secretary of War Stimson expressed outright opposition to the plan on grounds that it would cause starvation inside Germany.[39]

[37] Blum, *Morgenthau Diaries: Years of War,* pp. 333–34; Chase, "Development of the Morgenthau Plan," pp. 326–31; Zink, "American Civil-Military Relations in the Occupation of Germany," pp. 213–14.

[38] Penrose, *Economic Planning for Peace,* pp. 245–46; Blum, *Morgenthau Diaries: Years of War,* p. 338.

[39] Blum, *Morgenthau Diaries: Years of War,* pp. 338–42; Penrose, *Economic Planning for Peace,* pp. 247–50; Eisenhower, *Crusade in Europe,* p. 287. Morgenthau's ac-

In the final analysis, however, the fate of the Morgenthau Plan rested with President Roosevelt. Inclined since the beginning of the war to favor harsh treatment of Germany, F.D.R. by August of 1944 had, if anything, stiffened his views. "We have got to be tough with Germany and I mean the German people not just the Nazis," he told Morgenthau on August 19; "we either have to castrate the German people or you have got to treat them in such a manner so they can't just go on reproducing people who want to continue the way they have in the past." Two days later, Roosevelt wrote to Senator Kenneth McKellar: "It is amazing how many people are beginning to get soft in the future terms [for] the Germans and the Japs." On the 25th, Morgenthau sent Roosevelt a memorandum summarizing the SHAEF handbook for Germany. Roosevelt read it overnight, and the next day sent a stinging rebuke to Stimson, demanding that the document be withdrawn:

> This so-called "Handbook" is pretty bad. . . . It gives me the impression that Germany is to be restored just as much as the Netherlands or Belgium, and the people of Germany brought back as quickly as possible to their pre-war estate.
>
> It is of the utmost importance that every person in Germany should realize that this time Germany is a defeated nation. I do not want them to starve to death, but, as an example, if they need food to keep body and soul together beyond what they have, they should be fed three times a day with soup from Army soup kitchens. That will keep them perfectly healthy and they will remember that experience all their lives. . . .
>
> There exists a school of thought both in London and here which would, in effect, do for Germany what this Government did for its own citizens in 1933 when they were flat on their backs. I see no reason for starting a WPA, PWA, or a CCC for Germany when we go in with our Army of Occupation.
>
> Too many people here and in England hold to the view that the German people as a whole are not responsible for what has taken place—that only a few Nazi leaders are responsible. That unfortunately is not based on fact. The German people as a whole must have it driven home to them that the whole nation has been engaged in a lawless conspiracy against the decencies of modern civilization.[40]

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count of his interview with Eisenhower described the General as charging advocates of a soft peace with seeking to build up Germany as a bulwark against Russia. Eisenhower's account mentions nothing of this, however.

[40] Morgenthau account of conversation with Roosevelt, August 19, 1944, quoted in Blum, *Morgenthau Diaries: Years of War,* p. 342; Roosevelt to McKellar, August 21, 1944, Roosevelt MSS, PPF 3715; Roosevelt to Stimson, with copies to Morgenthau and Hull, August 26, 1944, printed in Blum, pp. 348–49.

Heartened by Roosevelt's reaction, Morgenthau encouraged his staff to toughen the Treasury's plan. "The President is hungry for this stuff," he told them late in August. "I wouldn't be afraid to make the suggestion just as ruthless as is necessary." Even then, Morgenthau felt his advisers had not gone far enough. Over the objections of White and other Treasury officials, he insisted on including in the plan a proposal to dismantle the industry of the Ruhr and Saar, and flood all the coal mines. "Just strip it," he told White, "I don't care what happens to the population. . . . I would take every mine, every mill and factory and wreck it. . . . Steel, coal, everything. Just close it down." [41]

Morgenthau reached the height of his influence at the Quebec Conference in mid-September. Attending at Roosevelt's special invitation, the Treasury Secretary managed to get the President and Winston Churchill to initial a document calling for conversion of Germany "into a country primarily agricultural and pastoral in character." But in so doing, Morgenthau overplayed his hand. He also proposed, and Roosevelt approved, an unconditional grant of $6.5 billion in lend-lease aid to Britain for the period between the defeat of Germany and that of Japan. This infuriated Hull, who had sought to tie continuation of lend-lease to concessions on trade policy. From this time on the Secretary of State joined subordinates in his department and Secretary of War Stimson in firmly opposing Morgenthau's scheme. Moreover, a series of leaks to the press late in September resulted in publication of the plan. The public response was overwhelmingly critical, and Republicans began making plans to use Morgenthau as a campaign issue in the election later that fall.[42]

Roosevelt immediately backtracked. "No one wants to make Germany a wholly agricultural nation again," he assured an indignant Hull on September 29. Several days later, he admitted to Stimson that Morgenthau had "pulled a boner." When Stimson showed the President the

[41] Blum, *Morgenthau Diaries: Years of War,* pp. 350–54. For the final version of the Morgenthau Plan, see *ibid.,* pp. 356–59; and Henry Morgenthau, Jr., *Germany Is Our Problem.*

[42] Blum, *Morgenthau Diaries: Years of War,* pp. 377–78; Hull, *Memoirs,* II, 1613–14. For public reaction to the Morgenthau Plan, see the Department of State, "Fortnightly Survey of American Opinion on International Affairs," No. 12, October 5, 1944. Hull's implication that he had opposed the Morgenthau Plan from the beginning (*Memoirs,* II, 1605–6) is, at best, misleading. On this point, see Hammond, "Directives for the Occupation of Germany," pp. 370–71; and Penrose, *Economic Planning for Peace,* p. 253.

memorandum he and Churchill had initialed at Quebec, F.D.R. was startled, admitting that he had approved the document without much thought. The whole furor had resulted from inaccurate newspaper reporting, Roosevelt misleadingly asserted on October 9; "there is obviously no 'idea of turning [the] German economy upside down and expecting it to work.' " The President's major campaign speech on foreign policy, delivered in New York on October 21, took a noticeably moderate position on the postwar treatment of Germany. Early in November, F.D.R. allowed State Department officials to draft a letter for him arguing that "German productive skill and experience should be utilized for the general economic welfare of Europe and the world" as long as this did not threaten peace.[43]

Morgenthau's plan for the "pastoralization" of Germany is understandable as a reflection of irrational wartime hatred for a cruel and stubborn enemy. Nor is it surprising that many government officials, not wanting to appear "soft" on Germany, at first supported the plan.[44] Upon reflection, however, the impractical and inhumane aspects of the proposal quickly became clear, causing support for it within the Roosevelt Administration to crumble even before unwanted publicity brought about the President's disavowal. What is surprising is that the spirit of the Morgenthau Plan survived its official repudiation and went on to influence profoundly the occupation policies which the United States initially implemented inside Germany.

The Treasury Secretary's proposal appealed to lower-echelon War Department officials as a means of simplifying the task of military government. Morgenthau's plan appeared just as Army authorities had begun to worry about being stuck with responsibility for reviving the German economy, which seemed likely to collapse completely before V-E Day. By asserting that economic chaos in Germany was not inconsistent with American objectives, Morgenthau gave the Army a convenient excuse for avoiding this burden, which threatened to ensnarl military government officials in a tangle of distasteful nonmilitary complications.

[43] Roosevelt to Hull, September 29, 1944, *FR: Yalta,* p. 155; Stimson Diary, October 3, 1944, quoted in Stimson and Bundy, *On Active Service,* p. 581; Roosevelt to Pierre Jay, October 9, 1944, Roosevelt MSS, OF 198-A; speech to the Foreign Policy Association, October 21, 1944, *FDR: Public Papers,* XIII, 352–53; Roosevelt to Nicholas Murray Butler, November 11, 1944, Roosevelt MSS, PPF 445.

[44] On these points, see Clark, "Conflicts over Planning at Staff Headquarters," pp. 212–13; and Snell, *Dilemma over Germany,* p. 13.

Roosevelt's blast at the SHAEF handbook, provoked by Morgenthau, had come just as the Army itself was moving toward repudiating the ideas contained in that document. The ex-civilians in SHAEF's German "country unit" had failed to reflect the concern of professional officers within SHAEF and the War Department to insulate military government from political and economic complications. Accordingly, Civil Affairs Division representatives attached to SHAEF, upon hearing of Roosevelt's complaint, had gladly ordered fundamental modifications to bring the handbook into line with Morgenthau's position: Occupation authorities would make no effort to rehabilitate the German economy beyond what was necessary for military purposes. They would import and distribute no relief supplies except where absolutely necessary to prevent disease and disorder. They would carry out a rigorous program to purge former Nazis from German governmental positions. Finally, they would treat Germany as a defeated, not a liberated, country.[45]

Simultaneously, the impending collapse of Germany had convinced Washington officials that General Eisenhower needed a new directive on the administration of military government after V-E Day. An existing directive, issued by the Combined Chiefs of Staff in April, 1944, applied only to German territory occupied before the official surrender. Hopes were not high that the EAC could agree on tripartite postwar occupation policy in the near future. Hence, representatives from the State, War, and Treasury departments decided early in September to begin drafting an interim directive on Germany which Eisenhower could use from the end of the fighting until the Allies finished working out long-range occupation policies.[46]

Morgenthau's influence significantly affected the preparation of this document, which was completed on September 23, after the Treasury Secretary's trip to Quebec but before news of his plan had leaked to the press. The interim directive began by instructing Eisenhower to take actions only "of short term and military character, in order not to prejudice whatever ultimate policies may be later determined upon." This nod

[45] SHAEF Civil Affairs Division order of September 15, 1944, cited in Pogue, *Supreme Command,* p. 356. See also Hammond, "Directives for the Occupation of Germany," p. 356. For the conflict between ex-civilians and military professionals inside SHAEF, see Clark, "Conflicts over Planning at Staff Headquarters," pp. 214–20.

[46] Hammond, "Directives for the Occupation of Germany," pp. 328–29, 371.

to War Department sensibilities out of the way, the directive then went on to make policy with a vengeance, largely in accord with Treasury Department wishes. Like the revised handbook, it emphasized treating Germany as a defeated, not a liberated, nation. American military authorities would do nothing to rehabilitate the German economy except to avoid disease or disorder that might threaten occupation forces. German officials would retain primary responsibility for the economy's functioning. But the directive also called for an elaborate "denazification" program, including the arrest of all Nazis and Nazi sympathizers, down to and including local party and government authorities. Since most German officials were Nazis, this meant, as State Department representatives pointed out, a policy of "planned chaos." The War Department accepted the Treasury's suggestions, however, and State, demoralized by the Morgenthau affair, went along. The Joint Chiefs of Staff cleared the interim directive in record time—one day—assigning it in the process the file number by which it became known: JCS 1067.[47]

In the light of Stimson's determined opposition to the Morgenthau Plan, the War Department's decision to approve the document seems puzzling. But in this case, Stimson's views failed to reflect the position of his own department. Assistant Secretary of War McCloy, who represented the Army during the drafting of JCS 1067, placed primary emphasis on obtaining some kind of directive for Eisenhower, regardless of its content. A German collapse in 1944 still seemed possible, and Eisenhower urgently needed instructions. Furthermore, Civil Affairs Division officers both in Washington and at SHAEF saw in Morgenthau's doctrine of "planned chaos" a means of avoiding the involvement with civil affairs which military government planners had long dreaded. Finally, as a unilateral order from the Joint Chiefs to the commander of the United States zone in Germany, JCS 1067 had the additional advantage of bypassing the tripartite Control Council due to be set up in Berlin, thus increasing the authority of American military government officials. Eisenhower was duly grateful. "I want you to know how much I appreciate your efforts," he wrote McCloy early in November, "to protect us

[47] "Directive to SCAEF Regarding the Military Government of Germany in the Period Immediately Following the Cessation of Organized Resistance (Post-Defeat)," September 22, 1944, *FR: Yalta,* pp. 143–54. See also Hammond, "Directives for the Occupation of Germany," pp. 371–77, 390–91.

from a complex system of advisers which would only add to the difficulties of a straight forward problem of military government." [48]

"Military necessity" thus finally forced the War Department to define its position on the occupation of Germany. This gave the State Department little comfort, however, for JCS 1067, if put into effect for even a brief period of time, seemed likely to undermine the department's long-range objectives in that country. The interim directive to Eisenhower reflected too much of the spirit of the Morgenthau Plan. By forbidding military government officials from rehabilitating the economy beyond the point necessary to safeguard American troops, JCS 1067 would preclude attainment of a "tolerable" standard of living for the German people, one of the major prerequisites, in the State Department's view, for the emergence of democratic institutions inside Germany. By emphasizing the autonomy of the zonal commander, the directive also threatened to detract from the authority of the Allied Control Council in Berlin, thus making tripartite agreement on occupation policies more difficult to achieve. At the same time, however, the interim directive had been cleared by the Joint Chiefs of Staff, an advantage long-suffering State Department officials were not inclined to take lightly. Hence, early in November, they hit on the strategy of proposing JCS 1067 to the EAC as a tripartite policy for Germany, but only after revising it thoroughly to eliminate as many traces as possible of the Morgenthau Plan.[49]

Acting Secretary of State Stettinius warned President Roosevelt on November 11 that the British and the Russians would never accept Morgenthau's tactic of "planned chaos." Stressing the importance of tripartite cooperation in Germany, Stettinius recommended changing JCS

[48] Penrose, *Economic Planning for Peace,* p. 271; Hammond, "Directives for the Occupation of Germany," pp. 401–2; Dorn, "Debate over American Occupation Policy," pp. 492, 494–95; Coles and Weinberg, *Civil Affairs,* pp. 139–41; Clark, "Conflicts over Planning at Staff Headquarters," pp. 230–31; Eisenhower to McCloy, November 1, 1944, *Eisenhower Papers,* IV, 2269. McCloy later asserted that the War Department approved JCS 1067 with the expectation that the American zonal commander would modify its unrealistic provisions in the process of applying it. (Dorn, "Debate over American Occupation Policy," p. 501.) JCS 1067 had originally been planned as an Anglo-American directive, but the British Chiefs of Staff never approved it. (Hammond, "Directives for the Occupation of Germany," pp. 376–77.)

[49] *FR: 1944,* 407–8, 410–11; Hammond, "Directives for the Occupation of Germany," pp. 393, 397–400. See also Fainsod, "Development of American Military Government Policy," p. 34; and Clark, "Conflicts over Planning at Staff Headquarters," pp. 230–31.

1067 to allow occupation authorities to take "all possible steps in the initial phases of occupation to prevent development of a chaotically unmanageable economic situation." Roosevelt at first indicated sympathy for this point of view, but after consulting Morgenthau asked the State Department to redraft its suggestion. Further efforts by department officials to elicit a firm statement of policy from the White House proved fruitless.[50]

Attempts by State Department representatives to win War and Treasury support for the changes they wanted in JCS 1067 turned out to be equally frustrating. James W. Riddleberger, chief of the Division of Central European Affairs, complained in December that War Department negotiators "were obviously under categorical instructions to adhere as closely as possible to the original" for fear of offending the Treasury. As a result, little could be done to the political section of the document except to "improve the arrangement, the phrasing and the German." Emile Despres, one of the department's German experts, later noted how War and Treasury officials had come to share a common interest in a "limited liability" concept of military government which would preclude assuming responsibility for operation of the German economy:

> The War Department favors this limited definition of the Army's tasks because (1) they favor a simple, clear-cut military occupation, (2) they wish, by limiting the task, to minimize the need for consultation and negotiation among the commanders of the several zones of occupation, and (3) they wish to keep the job within the capabilities of the occupation forces. The Treasury supports the doctrine of limited liability because (1) they consider that extreme disruption in Germany is not in conflict with Allied interests, and (2) acceptance of any responsibility for the minimum functioning of the German economy would cause us to make compromises with respect to elimination of Nazis.[51]

The State Department therefore failed in its first attempt to reconcile the Army's short-range plans for military government with its own long-range objective of transforming Germany into a democracy.

[50] Stettinius to Roosevelt, November 11, 1944, *FR: 1944,* I, 398–403; Leo Pasvolsky memorandum, Stettinius-Roosevelt conversation, November 15, 1944, *ibid.,* pp. 409–10; Blum, *Morgenthau Diaries: Years of War,* pp. 390–93.

[51] Riddleberger to James C. Dunn and H. Freeman Matthews, December 14, 1944, *FR: 1944,* I, 420; Despres to William L. Clayton and Edward S. Mason, February 15, 1945, *FR: 1945,* III, 412–13. See also Dorn, "Debate over American Occupation Policy in Germany," pp. 487, 498–500.

IV

The State Department did regain some influence over German policy as a whole, however, as President Roosevelt began preparations for the second Big Three meeting early in 1945. F.D.R.'s embarrassment over publication of the Morgenthau Plan had weakened the Treasury Secretary's position, despite the fact that Roosevelt, as he told State Department officials in November, was still "determined to be tough with Germany." Formation in December of the State-War-Navy Coordinating Committee, composed of assistant secretaries from each department, did much to improve civil-military consultation on major policy questions. Communication between the President and the State Department increased substantially after Stettinius became secretary of state upon Hull's retirement late in November, and, at the request of Harry Hopkins, appointed Charles E. Bohlen as special liaison officer to the White House. Significantly Roosevelt invited Stettinius, but not Morgenthau, to accompany him to Yalta to meet Churchill and Stalin.[52]

The State Department's briefing book papers on Germany, prepared for the President's use at Yalta, stressed the importance of preventing each occupying power from following unilateral policies, even if this meant "curtailing to some degree the freedom of action of the commander of the United States Zone." Tripartite agreement on centralized administration would ensure that the industrialized parts of Germany under Anglo-American control would receive badly needed food shipments from the predominantly agricultural Soviet Zone. Furthermore, the department added cautiously, "establishment of a comprehensive military government would prevent the equally undesirable development of the importation into Germany of a substantially ready-made provisional government perhaps recognized by and functioning under special

[52] Blum, *Morgenthau Diaries: Years of War,* pp. 382–83; Pasvolsky memorandum, Roosevelt-Stettinius conversation, November 15, 1944, *FR: Yalta,* p. 172; Snell, *Dilemma over Germany,* pp. 116–17; Stettinius, *Roosevelt and the Russians,* pp. 29–31. On the development of the State-War-Navy Coordinating Committee, see *FR: 1944,* I, 1466–70; Ray S. Cline, *Washington Command Post,* pp. 322–27; and Ernest R. May, "The Development of Political-Military Consultation in the United States," *Political Science Quarterly,* LXX (June, 1955), 161–80.

foreign auspices." In the economic field, the department called for reducing, but not destroying, the German industrial plant in order to prevent rearmament and provide reparations. Efforts should be directed toward the eventual "assimilation—on a basis of equality—of a reformed, peaceful and economically non-aggressive Germany into a liberal system of world trade." Finally, in economics as in other areas, the Big Three should endeavor to reach agreements before the termination of hostilities, so as to "minimize the danger of new European rivalries." [53]

On the sensitive issue of reparations a firm resolve not to repeat past mistakes shaped the State Department's position. "We were most anxious," Stettinius later recalled, "to avoid the disastrous experience of reparations after World War I." To prevent a recurrence of the currency transfer problems which had plagued the Allies in the interwar period, the department advocated having Germany make payments in kind—goods and services—rather than in money. A fixed time limit—preferably five but not more than ten years—should govern how long Germany would have to pay. The department advised against stating Germany's reparations obligation in terms of a specific sum of money, because no one knew what the German capacity to pay would be at the end of the war. Such an approach would also "avoid difficulties with public opinion in the Allied countries, which is likely to regard any given amount of reparation as inadequate." Finally, it should be made clear to all concerned that, unlike its policy in the 1920s, "the U.S. will not finance the transfer of reparation either directly by extending loans or credits to Germany, or indirectly by assuming a burden of supplying at its own expense essential goods or equipment to Germany." President Roosevelt strongly supported these recommendations, explaining to Admiral Leahy on the way to Yalta that he was determined to "avoid the pitfalls that had made the World War I reparations actually a burden on America." [54]

[53] Yalta briefing book papers, "The Treatment of Germany" and "Economic Policies Toward Germany," *FR: Yalta,* pp. 178–93. On Roosevelt's use of these documents, see the conflicting accounts in Stettinius, *Roosevelt and the Russians,* p. 30; James F. Byrnes, *Speaking Frankly,* p. 23; and Leahy, *I Was There,* p. 343.

[54] Stettinius, *Roosevelt and the Russians,* p. 299; Yalta briefing book paper, "Reparation and Restitution Policy Toward Germany," January 16, 1945, *FR: Yalta,* pp. 194–97; Leahy, *I Was There,* p. 343. For the influence of the post-World War I experience on planning reparations policy, see Penrose, *Economic Planning for Peace,*

At Yalta, the Russians agreed to a ten-year time limit and reparations in kind, to be taken partly by the physical removal of heavy industrial equipment, partly by seizing production from surviving facilities. The Soviet proposal diverged from the Anglo-American position, however, in two important respects: The Russians called for tripartite agreement on a fixed monetary sum to be taken out of Germany, suggesting the figure of $20 billion, of which half would go to the USSR. They also assigned first priority to the extraction of reparations, making no firm provisions for preventing starvation or maintaining the German standard of living. The Russians never advocated going as far as Morgenthau's plan for the indiscriminate destruction of German industry—indeed the Soviets several times expressed opposition to the Treasury's scheme, which would have precluded reparations from current production—but their proposals nonetheless raised fears among the British and Americans of mass starvation in the industrialized but food-poor Western zones. The United States had lent Germany "over ten billion dollars" after World War I, Roosevelt pointed out. This time it would not repeat the mistake. Germany should pay reparations, but not to the point of causing economic chaos, for he "did not wish to contemplate the necessity of helping the Germans to keep from starving." If one wanted a horse to pull a wagon, Churchill remonstrated, one had at least to give it fodder. True enough, Stalin replied, "but care should be taken to see that the horse did not turn around and kick you." [55]

The conflict over reparations proved too deep to resolve at Yalta, so

pp. 218–19; Jacob Viner, "German Reparations Once More," *Foreign Affairs,* XXI (July, 1943), 659–73; "What Should Germany Pay?" *Fortune,* XXIX (February, 1944), 134–38, 231; and William Diebold, Jr., "What Shall Germany Pay? The New Reparations Problem," in the Council on Foreign Relations series, "American Interests in the War and the Peace," April, 1944. For an illuminating discussion of the whole reparations issue, written from a revisionist point of view, see Bruce Kuklick, "The Division of Germany and American Policy on Reparations," *Western Political Quarterly,* XXIII (June, 1970), 276–93.

[55] Bohlen minutes, Second Plenary Meeting, February 5, 1944, *FR: Yalta,* pp. 620–21. See also the Soviet proposal, "Basic Principles of Exaction of Reparations from Germany," submitted to the foreign ministers on February 7, 1945, *ibid.,* p. 707. A. A. Sobolev, vice-chairman of the Russian delegation to the Dumbarton Oaks Conference, had told Leo Pasvolsky in September, 1944, that he was "certain that Mr. Morgenthau's type of thinking was not acceptable to the Soviet Government." (Pasvolsky memorandum of conversation with Sobolev, September 28, 1944, Hull MSS, Box 61, Folder 250.) See also Blum, *Morgenthau Diaries: Years of War,* pp. 386, 398–99; Penrose, *Economic Planning for Peace,* pp. 281–82; and Kolko, *The Politics of War,* pp. 324, 326–27.

the Big Three simply referred it to a new tripartite commission, which would hold meetings in Moscow. The Americans reluctantly agreed to accept the Soviet figure of $20 billion as a "basis for negotiations," but the British refused even to go this far. The other Yalta decisions on Germany were equally vague: the three heads of government postponed until later final settlement of the issues of dismemberment, war criminals, and the Polish-German border. The only definite agreement on Germany which Roosevelt, Churchill, and Stalin reached was their decision to give France an occupation zone and a seat on the Allied Control Council.[56]

State Department officials were pleased, however, with the extent to which Roosevelt had followed their advice at Yalta. The President's firm stand on reparations seemed to indicate that he had abandoned, once and for all, Morgenthau's policy of "planned chaos" in Germany. Upon his return to Washington, Roosevelt instructed Secretary of State Stettinius to assume responsibility for implementing the conference decisions.[57] Stettinius was attending an inter-American meeting in Mexico City at the time, but his subordinates in the department, pleasantly surprised by this unaccustomed grant of authority, quickly seized the opportunity to launch a second effort to purge all traces of the Morgenthau Plan from JCS 1067.

Acting Secretary of State Joseph C. Grew instructed Ambassador Winant not to present the revised version of that document to the European Advisory Commission. Meanwhile department officials, working under the direction of Assistant Secretary of State James C. Dunn, rapidly prepared a completely new draft directive, incorporating provisions which the State Department had sought all along. This document explicitly deemphasized the autonomy of zonal commanders, endorsed a moderate denazification policy, and called for a "substantial degree of centralized financial and economic control" from the now quadripartite Control Council. Stettinius approved the new directive upon his return to Washington on March 10, and sent it to the White House. To the delight of the State Department, Roosevelt returned it several days later with the marginal notation: "OK, FDR." [58]

[56] Yalta Conference protocol, February 11, 1945, *FR: Yalta,* pp. 978–80.

[57] Roosevelt to Stettinius, February 28, 1945, *FR: 1945,* III, 433.

[58] Grew to Winant, February 28, 1945, cited in Hammond, "Directives for the Occupation of Germany," p. 415; Stettinius to Roosevelt, March 10, 1945, enclosing "Draft Directive for the Treatment of Germany," *FR: 1945,* III, 433–38. Apparently a

The State Department's initiative caused consternation in both the Pentagon and the Treasury, although for different reasons. Stimson and McCloy disliked the new directive's emphasis on central administration from the Control Council in Berlin. The Secretary of War complained on March 15 that "we were not going to get a four-headed body comprising three great nations [presumably France did not qualify in this respect] to achieve uniformity in the application of details of policy." Morgenthau charged heatedly that the new policy appeared to mean "that the power of the German Empire would be continued and reconstructed." Later the Treasury Secretary cornered Stettinius and extracted from the Secretary of State the admission that subordinates had handed him the new draft directive upon his return from Mexico, that he had been tired, and that he "really didn't know what was in it." State Department officials had gone off "on a frolic of their own," McCloy complained to Morgenthau on the 17th; "we've got a right to sulk." Morgenthau agreed: "It's damnable, an outrage." On March 20, the Treasury Secretary took Roosevelt a memorandum arguing that the State Department document "goes absolutely contrary to your views," and citing specific departures from JCS 1067. Roosevelt, obviously in poor health, admitted to Morgenthau that he did not remember signing the State Department's directive, and wanted to rescind it.[59]

Now consternation reigned in the State Department. Undersecretary of State Grew found the President's absent-mindedness "amazing." Stettinius, from his farm in Virginia, told his associates that if he were in Washington he was sure he could jog the President's memory. But on March 22, Roosevelt complained that he had been "sold a bill of goods" and informed the State Department that the March 10 document would

report by an official of the Foreign Economic Administration, James A. Perkins, calling for complete revision of JCS 1067, also influenced the State Department initiative. The conclusion of Perkins' report, dated March 3, 1945, is quoted in Hammond, "Directives for the Occupation of Germany," pp. 414–15.

[59] Minutes, Stettinius-Stimson-Morgenthau meeting, March 15, 1945, *FR: 1945,* III, 454–55; Blum, *Morgenthau Diaries: Years of War,* pp. 403–8. See also Hammond, "Directives for the Occupation of Germany," pp. 418–20. A memorandum prepared on March 16, 1945, by an unidentified State Department official pointed out: "The Treasury and War Departments advocate the same policy for different reasons: Treasury wants chaos; War wants decentralization and complete authority for its zone commander." (*FR: 1945,* III, 457.)

have to be rewritten. The following day representatives from the State, War, and Treasury departments met and agreed on a new policy statement, making minor concessions to the State Department position but for the most part reasserting the philosophy of JCS 1067. Roosevelt approved the document on the same day, marking it: "OK, FDR., superseding memo of March 10, 1945." [60]

JCS 1067 still needed further revision before it could be put into effect, a process which took until May, 1945. Harry S. Truman, who had become President upon Roosevelt's death in April, approved the final version on May 11, 1945, three days after Germany's surrender. Still very much a Treasury document, it called for broad denazification policies but left responsibility for the German economy for the most part up to the Germans. The War Department, seeking to minimize the political and economic responsibilities of the American zonal commander, had firmly resisted State Department attempts to modify these provisions. "This is a big day for the Treasury," Morgenthau noted in his diary after Truman had signed the directive. "[I] hope somebody doesn't recognize it as the Morgenthau Plan." [61]

Hence, by the time of Germany's surrender, the United States still had not decided between repression and rehabilitation as the best way to prevent future aggression. The American plan on reparations, endorsed by Roosevelt at Yalta, followed the State Department's desire to maintain a tolerable standard of living inside Germany, both as a means of encouraging the emergence of democratic institutions there, and in hopes of promoting the economic revival of Europe. American occupation policy, however, still reflected the Treasury's call for a peace of vengeance, not because of the intrinsic merit of this idea, which Roosevelt had repudiated, but because the Army simply considered it more convenient than the State Department's program. Neither side had made any serious attempt to develop its plans for Germany in the light of possible difficulties with the Soviet Union. Events of the spring of 1945

[60] Blum, *Morgenthau Diaries: Years of War,* pp. 407, 410–12; Grew memorandum of telephone conversation with Stettinius, March 22, 1945, *FR: 1945,* III, 469–70; "Memorandum Regarding American Policy for the Treatment of Germany," March 23, 1945, *ibid.,* pp. 471–73.

[61] Blum, *Morgenthau Diaries: Years of War,* p. 460. For the final revisions of JCS 1067, see Hammond, "Directives for the Occupation of Germany," pp. 422–27.

made it impossible to ignore the problem of Russia any longer, however, and would by the time of the next Big Three meeting in July force a badly needed rationalization of American policy on the postwar treatment of Germany.