

The American occupation of Germany: A representative case of nation-building?

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Abbreviations:

ACC:	Allied Control Commission
BRD:	Bundesrepublik Deutschland
CAD:	Civil Affairs Division
CCS:	Combined Chiefs of Staff
CDU:	Christlich-Demokratische Union
CSU:	Christlich-Soziale Union
DoW:	Department of War
EAC:	European Advisory Committee
FEA:	Foreign Economic Administration
G.I.:	“General Infantry” (Private in the US Army)
HICOG:	High Commissioners Office in Germany
HQ	Headquarters
JCS:	Joint Chiefs of Staff
KPD:	Kommunistische Partei Deutschland
NGO:	Non-Governmental Organisation
OMGUS:	Office of the Military Government, United States (in Germany)
OSS:	Opinion Survey Section
PNAC:	Project for a New American Century
SED:	Sozialistische Einheitspartei Deutschlands
SHAEF:	Supreme Headquarters of the Allied Expeditionary Forces
SPD:	Sozialdemokratische Partei Deutschlands
SD:	Department of State

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1. Introduction

The end of the Cold War and the subsequent collapse of the Soviet Union and its network of client states and allies represented a period of turmoil and of hope. The hope that “democracy has won” and that its ascendancy was now almost inevitable, found its most famous intellectual manifestation in Francis Fukuyama’s *End of History* (1992) as well as a ready audience among the public and political class all over the Western World.

But the euphoria was short-lived. Collapsing economies in Eastern Europe and the former Soviet Union, and a collapsing social order in a number of countries all over the world led to the realisation that unless the United States and its allies got involved, many of the post-communist countries were in grave danger of internal collapse.

The answer to these challenges was a resurgence of so-called nation-building across the globe. As well as a reactive measure for dealing with failed or new states, it has evolved since the attacks of September 11, 2001 into also dealing with territories “won” in offensive warfare.

In the public debate, the policy of nation-building, usually meaning the building up of stable democratic institutions and a wealth-increasing market economy, has been closely associated with the rebuilding of Germany and Japan after the Second World War. US president George W. Bush made this comparison in a speech proposing a massive program of reconstruction in Iraq after the invasion:

... America has done this kind of work before. Following World War II, we lifted up the defeated nations of Japan and Germany, and stood with them as they built representative governments. We committed years and resources to this cause. And that effort has been repaid many times over in three generations of friendship and peace. America today accepts the challenge of helping Iraq in the same spirit -- for their sake, and our own. (Bush 2003)

Most other US nation-building exercises have not led to stable democratic, market-liberal regimes. One widely-quoted comparative study shows success in four of 16 cases, Germany, Japan and tiny Grenada and Panama in the 1980’s (Pei and Kasper 2003)

It is therefore natural that American policy planners have turned to the successful cases of Germany and Japan in advocating and planning for nation-

building interventions. But is this explicit linking of the post-war occupations with the current challenges of US interventions really fruitful? In this thesis I concentrate on the American occupation of Germany and pose the following question:

Was the creation of the *Bundesrepublik Deutschland* (BRD) a representative case of US nation-building?

In order to answer this question, three sub-questions need to be answered. First of all, what is nation-building? Secondly, how does the occupation of Germany fit into the nation-building paradigm? And finally, how does the German experience compare to other nation-building exercises?

The first question will be discussed shortly in this introduction. The second and third questions are interconnected, and in order to be able to approach them we need two things: an adequate understanding of the American occupation of Germany, and the most relevant factors for comparing the German occupation to the idea of nation-building as well as to the *population* of US nation-building attempts.

An adequate understanding of the US occupation of Germany as a case of nation-building, will, as I argue later, have to involve not just comparing the situation at the end of the occupation with a list of nation-building objectives. (As the speechwriters of George W. Bush might be accused of above.) Neither is it sufficient to concentrate on US policy initiatives and to just look at success or failure rates. An occupation is an interaction between both occupier and the occupied. And in Germany the occupation was further complicated by the mutually exclusive goals of the different occupiers. A great part of my thesis therefore consists of unravelling the at times massively interconnected weave of power structures, strategic goals and policy issues that formed the US occupation in Germany.

But since we are only discussing the occupation as a case of nation-building, it has been necessary to cut down on the size of this tapestry to factors connected to nation-building. The connection between the general and the specific, between nation-building as an idea and as a group of instances versus the specific nation-building case of Germany, has been challenging to draw up. My initial plan was to do a comparative examination of the US occupation in Germany versus other nation-building attempts, on different core areas pertaining to nation-building. What I found relatively fast was that the distinct “tone” of the German example, its unique interplay of groups and historical developments, was more or less lost when pushed into a comparison of factors with other US occupations.

What I finally settled on, the thesis you are now reading, is more of a hermeneutical approach: First a discussion of the general idea of nation-building, then looking at the occupation of Germany along the lines of this general idea, and finally an attempt at synthesis, where I tackle the overall question of this thesis, was the US occupation of Germany a representative case of nation-building?

1.a Terminology

What is nation-building? The term started as a descriptive one, meaning more or less the process of how modern Western countries have developed into nations and then nation-states. (eg. Lipset 1963) Especially outside of academia the term is now usually used in a normative sense, as a policy tool or strategy to develop failed, weak or “rogue” states.

First used to address the decolonisation process, especially in Africa in the 1950’s and 1960’s, its use spread to include the Vietnam War. As a consequence of America’s failure in Southeast Asia, as well as the less than perfect results in the former colonies in Africa, nation-building lost its appeal academically as well as politically in the 1970’s. (Hippler 2005:3-14)

With the end of the Cold War, the concept re-emerged, because of the international debate on how to deal with a number of collapsing states. The term “nation-building” itself took a bit longer to reconstitute, but was firmly back as an accepted part of academic as well as political debate in the late 1990’s.

But what does nation-building actually mean? In the first “golden age” of nation-building, the term normally referred to a formula of different reforms considered vital for modernisation.

The contemporary usage of the term nation-building is generally much vaguer than the formulaic modernisation programmes of the post-colonial era. This might be because of the post-modernists’ shredding of many of the un-stated assumptions about historical progress of nation-states inherent in the classic nation-building model. That does not mean that there is not still a strong tendency among academics and the international policy community involved with nation-building to see nation-building as a process towards western market-liberal democracy, and with a series of explicit steps to move towards it.

In the United States, this effort has come to be known as nation-building. This terminology perhaps reflects the national experience, in which cultural and historical identity was shaped by political institutions like constitutionalism and democracy. Europeans tend to be more aware of the distinction between state and nation and point out that nation-building in the sense of the creation of a community bound together by shared history and culture is well beyond the ability of any foreign power to achieve.(Fukuyama 2004:134-135)

1.b American nationalism

The US Constitution and the political and social institutions that grew out of the American war of independence have defined what it is to be American.

It is an open, inclusive nationalism, which paradoxically is remarkably self-centred. You can be accepted as an American as long as you embrace American national symbols and values. A measure of the inclusiveness of American culture is the fact that the US population in general does not look at immigration as a threat towards the American “national character,” but as an affirmation of the superiority of it. That is, people do not come to the United States to steal the jobs of Americans, but to take part in the greatest country in the world.

In some ways, there is only a small step from “*Give us your poor, your tired, your huddled masses longing to be free...*” to actively going out into the world to export American “freedom and democracy” to assorted conflict areas around the world. If Mohammed cannot come to Mount Freedom, Mount Freedom has to come to Mohammed.

It is tempting to draw parallels to French nationalism, which shares some of the same kind of inclusiveness. The French are the other Western country that has most clearly tried to mould foreign territories under their military control into cultural and political copies of themselves, instead of just installing a colonial bureaucracy on top of the local system. The results have been relatively unsuccessful for the French too, as the loss of Algeria shows.

German nationalism, on the other hand, has traditionally centred on mythic German racial bonds, on the *Vaterland*, on common blood and traditions. It is a nationalism in many ways formed as an opposition to the French universalism which American nationalism resembles. With such a fundamental difference in perception, how was it possible for the United States not only to control their part of Germany, but also to get active cooperation and to a certain degree respect and gratitude from the Germans for their occupation?

It is not only George W. Bush who has pointed to the German reconstruction as a result of American influence, with almost no focus on the immense changes the Nazis and their defeat had wreaked on the structure of German society. This focus is even present in some of the academic literature on the subject. An influential RAND study on American nation-building concluded that:

... What principally distinguishes Germany, Japan, Bosnia and Kosovo from Somalia, Haiti and Afghanistan are not their levels of Western culture, economic development, or cultural homogeneity. Rather it is the level of effort the United States and the international community put into their democratic transformations. (Dobbins et al. 2003:xix)

American policy makers are seen as the active creators of the new, democratic Germany and Japan, while the conquered peoples are almost static abstractions, mouldable by the right input and by sufficient effort.

An alternative view might be that the US occupation was successful, not because of adequate resources and good policy, but because of the unique situation of (in this example) German society. A move from occupier to occupied is also a move from the general to the particular as an explanatory model.

This thesis does not claim to prove that American policy makers did not have anything to do with the shaping of what would become the *Bundesrepublik* and the speed of the reconstruction. Rather, it is an attempt at drawing the boundaries between occupiers and the occupied, between factors that can be applied to other attempts at democratisation and factors that were particular to the time and place of post-war Germany. This is in itself a rather ambitious undertaking. But the task is further complicated by the changing American policies in Germany during the occupation period.

There are three main parts to this thesis, which I have attempted to construct as a chronological, thematical and structural flow, in order to capture the aforementioned dynamic: Chronologically I move from early to late occupation, and then to the wider historical picture. Thematically I go from planning to the implementation to results of the occupation. Structurally I travel from personal and group dynamics in US planning, to local, regional and then country level discussions. I have endeavoured to not make this slightly ambitious structure interfere with the narrative flow.

1.c Outline

The first part describes American policy planning on the German occupation and what came out of it, the JCS 1067 directive. The narrative is in its main outline eerily similar to the post-war planning in Iraq, where several years of planning were thrown out of the window in the last minute to be replaced with unworkable policies created by politicians with little area expertise. (To read the sorry tale of Iraqi planning, Larry Diamond's "What Went Wrong in Iraq" (2004) is a fascinating insider's look.) Towards the end of the Roosevelt administration, the United States was advocating a Carthaginian peace in Germany, which it took years for the Americans to move away from. This part of the thesis ends with an attempt at explaining how the United States went from having the most punitive policies against Germany to having the most accommodative policies at the end. In short, I point to the strong moral elements in US foreign policy.

The second part lays out how this slide from punitive to accommodative policies happened. It lays out how the multifaceted interaction between different US factions, between Americans and Germans and among the allies shaped US policy. While the main driver for change undoubtedly was the worsening relationship with the Soviet Union, other factors were important for the eventual shape of post-war Germany, such as the troubled relationship with the French, the interaction between Americans and Germans, the horrible economic situation and US domestic pressure.

The third part ties the German occupation into the wider history of US military occupations, extending the question of the applicability of the nation-building term to the whole body of American foreign interventions. Then I discuss how the post-World War Two occupations in Europe and Japan differed from these other cases in three core areas, economy, political history and social structure. I end by arguing that there is a fourth factor that distinguishes Germany and Japan from other American nation-building cases, namely the fact that the stated American goal in these two cases was to lower state capacity instead of raising it. State capacity is a vital part of nation-building, making this divergence an important one.

1.d Nation-building: what is it?

Attempts at spreading the "American way" through exporting American institutions and political apparatus actually predates the term nation-building by at least half a

century. The first “Golden Age” was the era of Wilsonian idealism following the outburst of the First World War. It has been a constant, but inconsistently applied, factor in US Latin-American policies ever since. (Whitehead 1991:234-235)

Nation-building can in the widest sense be seen as the increase of internal cohesion and central control within a territory, imposed by internal or external actors. This term is a bit broad for our purposes, but already at this abstract level we can identify a set of factors that are needed for a process of nation-building. First of all, any imposer of change needs to have legitimacy to do so, be it based on national myths, religion, culture or political utopianism. To sustain this legitimacy a monopoly on the use of violence has to be imposed. Secondly, there needs to be a process of integration of all the different groupings within society and the creation of a national identity. In other words, not only do the leaders need legitimacy, the geographical area they control also needs legitimacy as a natural entity, separated from others. Lastly, state institutions need to be strengthened and increased as this process develops.

Of course this does not say anything about how these results are achieved, or what the ultimate goal of the process is. The process sketched above fits to a certain degree all countries with a central administration. It also fits colonisation efforts, successful conquests and the creation of client states. Whether or not the Soviet client states in the former East Block were held in check primarily by the threat of force or whether other sources of legitimacy also existed, there is no doubt that the Soviet Union was able to keep Eastern European developments within the ideological mould of Soviet communism.

If we see the Soviet client state system as a communist version of foreign-led nation-building, it is natural to assume that the United States, with its democratic traditions as an integral part of the national *raison d’etre*, has been seeking to impose its political values on the areas under US control. On the other hand, the United States has frequently been unwilling to intervene when its efforts were threatened by undemocratic forces.

This might be evidence of a more pragmatic, less hegemonial approach to nation-building by the United States compared to the Soviet Union. Undoubtedly traditional American isolationism has lowered the appetite for American foreign adventures. Along with left-wing pacifism, lingering isolationism can be seen as one of the reasons for the end to foreign military adventures in both the 1930’s and the

1970's. Another explanation might be the dismal failure of virtually all attempts at imposing American-style democracy by military force outside of Europe. (Pei and Kasper 2003) If anything, this depressing list seems to point to a lack of pragmatism when it comes to handling foreign societies rather than an overabundance of it.

The Soviet Union was able to keep a relatively firm grip on its satellite states through the propping up of ideological allies in the target countries. To a remarkable degree Russia was thus able to neutralise competing power structures within Eastern European societies. The Soviet Union's effectiveness at this probably had some of its cause in the administrative know-how created by the October revolution and consequent reforms, a process that involved a high degree of ruthless pragmatism. Likewise the British Empire had institutional know-how of how to control and shape foreign territories through divide-and-rule tactics, generous use of force and an ideology of a class structured world (Famously epitomised in the British writer Rudyard Kipling's poem "The White Man's Burden").

Now, if we see externally-led nation-building as a purely imperial project, the obvious solution for the United States would be to repeat the Philippines experience after the war of 1898, pouring enough military force with wide enough powers to keep the natives docile. This is an approach to "nation-building" supported by a few Republican "imperialists", such as Max Boot in his *The Savage Wars of Peace: Small Wars and the Rise of American Power* (2002). But if a goal of foreign intervention is to create stable and friendly democratic regimes, there are obvious problems with putting a bullet through the head of anyone that disagrees with you.

1.e Imposing democracy

Despite the fact that the United States has generally been following overall strategic objectives outside of what would be considered democratisation when intervening militarily in other countries, it is not really fruitful to define American-led nation-building as mainly empire-building.

Based on the US approach to nation-building, it makes more sense to see it as the end result of a convergence of strategic foreign policy considerations and political idealism. But because of American ideals, the US foreign policy and military apparatus has been locked into following a nation-building strategy that, like general nation-building theory in the 1950's and 60's, has been trying to cut the shortest possible path towards a modern democratic state apparatus and market economy.

Little thought seems to have been given to the process of legitimising the new regime, and on integrating different societies and power structures within the borders into a national setting. As we will come back to later, the legitimising of new ways and new power structures is a complicated and slow process. The benefits of a democratic system imposed from above might not be as readily apparent to the people it is being imposed on as it is for the imposers.

Modernisation and democratisation have often been seen as a legitimisation in itself of continued Great Power presence after the successful acquisition of territorial control. But even a passive occupation will lead to disruptions in the power structure of a society. In most cases this is of course why there is an occupation to begin with, to transform a failing system. But “*regardless of whether their intentions are of a humanitarian or imperial nature, in the target country nation-building has to bring about passive and active resistance and a shift in power.*” (Hippler 2005:13)

The way this resistance and shift of power manifests itself among the occupied and how it is handled by the occupiers are of course vital to the success of any nation-building exercise. One could claim that *because* the US approach to nation-building has included such a strong element of modernist idealism, there has been little pressure or need to stay for the long haul. Either US troops have been withdrawn when initial reforms have led to a freely elected government, no matter how shakily its foundation, or the troops have been withdrawn in haste as local power groupings have turned on the occupier.

Since thorough processes of nation-building have at least historically been long-drawn and involved an interaction of state apparatus and the governed, built on the strength and legitimacy of the regime, there is no wonder that the number of successful American nation-building efforts has been limited.

When one examines the academic literature on American nation-building, one can often see the same kind of perceptual blindness to the multifaceted nature of so-called nation-building. In defence of at least some of the writers though, the single-minded focus on the action of the occupiers is often intentional, an attempt at limiting the scope of inquiry to just the constant variable, the occupier.

1.f Nation-building as concept and process

When defining foreign-led nation-building, it is therefore important to be able to separate efforts of democratisation and reform from attempts at foreign hegemony.

The delineation is a question of degrees though, as even the most humanitarian of interventions will have an inherent element of soft-power hegemonism.

Minxin Pei and Sara Kasper, in an influential comparative article on US nation-building (2003), sees nation-building as (to summarise) a considerable deployment of military force, which makes way for American military and civilian control of the target country, with the stated goal or practical effect being regime change or the survival of a regime that would otherwise collapse.

As we can see, this is a very broad and descriptive (as opposed to normative) definition of nation-building. While this is a good definition for most US military occupations since the Spanish-American war, it does not separate democratisation missions from colonial capers. It does not even separate goals of an occupation from the end result of it. If we removed the word American from the definition, it could be used on any number of empires through the ages, among others the Soviet Union and its client states.

Quite clearly we need a narrower, more teleological definition, more in line with President Bush's rhetoric of "lifting up" defeated nations, quoted upstream. As we sharpen the definition, the number of cases of nation-building starts to sink. For instance, only the most broad and descriptive definition can include the US colonial control of the Philippines, Guam and Puerto Rico.

On the other hand, with the problem being posed in this thesis, I have to be careful not to define myself into an answer to my question. That is, it would be very dubious to use a definition of nation-building that excludes the German and Japanese occupations from the outset.

To avoid being accused of this, and also because of its simple elegance I have chosen the definition of probably the best known and thorough academic work to actually use the occupation of Germany as a representative case of nation-building. The American think-tank RAND's study *America's Role In Nation-Building: From Germany to Iraq* (Dobbins et al. 2003) is a set of case studies of US-led military interventions (Germany, Japan, Somalia, Haiti, Bosnia, Kosovo, Afghanistan and Iraq) that are presented and compared in an attempt at finding best practises and common problems.

The report defines these aforementioned military interventions as nation-building exercises where "... *the intent was to use military force to underpin a process of democratization.*" (Dobbins et al. 2003:1) As a clear and succinct

definition of foreign-led nation-building that has a robust line separating it from purely imperial and colonial projects, as well as against communist state-building, this is a good starting point.

Since this thesis is looking at nation-building as a normative process, we also have to look at criteria for the success of such a process. In the same study, this definition is equally straight-forward in the RAND study. “*Success is defined as the ability to promote an enduring transfer of democratic institutions.*” (Dobbins, et al. 2003:2)

It might be interesting to discuss what is meant by *transfer* here, and to look at how democratic institutions in the two success cases in that regard, Germany and Japan, developed. But there is little else to build a discussion of Germany as a nation-building exercise on in this definition.

As mentioned earlier, nation-building is no longer considered a set process of steps that can be taken by any non-functioning state or its occupiers to transform it into an economically strong democracy. But the process can still be divided into individual steps and processes that are important for the overall rate of success.

This is the approach taken by Christoph Zuercher in a comparative view of 22 post-Cold War UN peacekeeping missions. He proposes that the success of nation-building (or state-building as he calls it) should be “... *disaggregated and measured along five dimensions: the absence of war, the reestablishment of a full monopoly over the means for violence, economic development, democracy, and institutional capacities.*” (Zuercher 2006:2)

Building up a rigid theoretical structure of a contentious idea, and then applying this construction on a chaotic and complex endeavour like a military occupation is very much a quixotic task. There is no agreement on the specific meaning of the term nation-building, nor is objective knowledge about history possible. Therefore I only offer these definitions as measuring sticks: As fairly representative samples of definitions of nation-building, the overall goal and factors for success.

1.g Scope

In this thesis, Germany and Japan are often used as roughly comparable cases of American military occupation. Nevertheless I have chosen to concentrate on the occupation of Germany. The cultural proximity, as well as the amount of sources and

literature available, makes the German case more accessible to me than the Japanese one. Also, unlike Japanese, I can actually read German relatively well.

Time-wise, the general focus has been on the period between Germany's unconditional surrender in May 1945, up to the election of the Adenauer government in 1949. Technically, the *Bundesrepublik* did not become fully independent until the reunification with East Germany in 1990, but in practical terms, direct control over West German affairs by the Western allies quickly diminished from 1949 onward. From May 5, 1955, BRD was granted the full powers of a sovereign state, excluding West Berlin, and Soviet-controlled East Germany. (Steininger 1987:467-475) Even before 1955, the French, British and American High Commissioners had more or less retreated to their comfortable castle on the outskirts of Bonn. Further, this work concentrates on the American military government and its challenges versus the Germans and the occupation allies.

I sincerely hope my use of the Harvard system of referencing has not led to heightened blood pressure and mental anguish for my readers. As for why I would choose to use it in this thesis, I can only blame habits formed during my years of wallowing in the world of political science, as well as my belief that it enhances readability as well as keeping me, the writer, from veering completely off course in the footnotes, and that the relative low number of primary sources makes the Harvard system an appropriate choice for this thesis. In my defence, its use is specifically allowed in the guidelines of the master program for which this thesis was written. (Jølstad 2006:20-21)

1.h Sources and literature

This thesis represents an attempt at combining two relatively large fields of research: On the one side, the booming literature on foreign-led nation-building, and on the other, the vast amount of information and literature on the occupation and rebuilding of Germany after the Second World War.

Originally my aim when looking at Germany as a case of nation-building was to narrow the scope of the inquiry down to a few of the factors I felt were among the most important ones in differentiating the German occupation from other nation-building exercises. There are two interconnected reasons for why this approach was modified. Firstly, there seemed to be a pretty broad academic consensus already that Germany differed in the areas I planned to delve into. (This can very generally be

described as the strength of state institutions, the economy and national cohesion.) Spending a year kicking in open doors did not seem especially interesting. What struck me though was that there was no academic literature looking at the *whole* of the occupation in the perspective of nation- or state-building. The one exception was the case study in the aforementioned RAND report (Dobbins, et al. 2003), which did not delve very far into either the planning of the occupation, the way it was shaped by US allies, or how the Germans themselves were part of the process.

To be fair to Dobbins et al., this was a conscious choice by them, built on the assumption that they were looking for factors that could be transferred to other cases of nation-building. But describing the success and failure of an occupation mostly through the action of the occupiers is in a way like describing a game of chess by only showing the movements of one of the sides. You can see where it is heading, but you can never be sure why. It was therefore natural to make relations between occupiers and the occupied, between the allies and between parts of the US policy and administrative apparatus a central point of my analysis.

One particular problem for this study has been the overabundance of primary sources relating to the occupation of Germany. There is enough material out there for several lifetimes of research. Although I have chosen a specific narrative arch in my outline of the occupation of Germany, my intention was never to radically alter the understanding of the American occupation of Germany. Therefore I have felt perfectly justified in relying on secondary literature on most issues.

The analysis of Joint Chiefs of Staff document 1067 (JCS 1067) is the one big exception. This document is analysed at some length to try to discern how important traditional nation-building goals were in the early occupation policy. The text is analysed on especially three levels: The process of how it came to be, how much influence the document had on the American military government (MG), and how the document compares to a historical narrative of the US occupation as a nation-building exercise.

The role of Americans in the democratisation and “reshaping” of Western Germany is still hotly debated. In the historiography of the US occupation of Germany, there are three general schools of thought, which to a certain degree mirror the divisions within Cold War historiography.

The orthodox view dominated in the immediate post-war years and during the height of the Cold war. It saw a decisive and positive role played by the United States

in “exporting” democracy to the BRD. Initially the occupation years were seen almost as a period of limbo, where the Germans were ruled by outside forces, only regaining self-determination with the return of self-rule in 1949. The famous German historian of the 1950’s Ernst Deuerlein explained 1945 to 1949 as a period where “Germany stopped being a *subject* of world politics; it was nothing but an *object* anymore.” (Deuerlein 1971:51)

Revisionists, both in the US and in Germany have, since the end of the 60’s, argued against a positive reading of US influence in Germany. According to them the American MG, in an effort to expand American capitalism, either consciously or unconsciously, destroyed Genuine German grassroots initiatives, like the *Antifa*-movement. This destruction, along with MG appointment of Weimar politicians to administrative positions led to the re-emergence of the old Weimar and even Third Reich elite. (Ruhl 1982) Members of the American New Left and its German *Neue Links* counterpart at the end of the 1960’s and early 1970’s went the furthest, placing the responsibility for the “restoration” of *l’ancien regime* squarely in the hands of the Western allies and especially the United States. (Fichter and Schmidt 1971)

On the other side we have an American tradition questioning how much the United States actually accomplished. With John Gimbel (1961;1968) and Edward N. Peterson (1978) in the forefront, they, like the revisionists question whether the new Federal Republic really was such a big break with the past. But they see this as a result of Military Government powerlessness instead of as a conscious choice. They wanted to do what the orthodox laud them for and to a degree what the revisionists blame them for, but they failed due to their powerlessness. (Prowe, 1993:307-8; Prowe 1977:312-319)

But as Dietlheim Prowe puts it: “*The greatest weakness of all three interpretations is that they have underestimated the role of traditional German political-social forces in shaping West German democracy.*” (1993:308) Especially after the reunification the focus among German historians have moved more and more towards focusing on the creation of the *Bundesrepublik* as a negotiated process between German and Western Allied interests and the influence of indigenous power-centres as well as the general German populations on shaping the events of the occupation era.

Why was this focus lacking during the Cold War? While I do not presume to know the thoughts or feelings of neither the German people nor the historians

documenting their lives, there seems to have been a certain unwillingness, especially among Germans, to discuss the *Bundesrepublik* and its inhabitants as free actors. Whether you were critical of the US influence over West Germany or supportive of it, claiming it was the work of an outside force in many ways shielded Germany from introspection. For the people adhering to the orthodox view, seeing Germans as *objects a la* Deuerlein, as a wayward people saved from themselves, had an almost messianic determinism to it: First a period of judgement and then redemption, with the acceptance into the society of nations again. Such a narrative was bound to beat one where the Germans more or less freely chose to turn their backs to their countrymen in the east and to tie themselves to a superpower.

Likewise, there was a need to absolve Germany in the narrative of German revisionists, and to tear down the US messianic “claim” among American revisionists. Criticising the Hegemon made sense, both because of the claims of the preceding historical paradigm, but also, in Germany, to rally national support for a reconsideration of both the past and the present. Especially the *Neue Links* school had strong links to the youth movement of the time, which was in the forefront of finally taking a definite break with the Nazi past.

It is tempting to claim that the third school, detailing the relative failure of the US occupation in instituting change as an answer to the revisionists, saying in essence “well, we couldn’t have been responsible.” But it is time to escape this heavy-handed theorising to get at my main point, namely that historical narratives change with time. Our understanding of the past naturally is coloured by our understanding of the present.

What is so eye-catching with seeing the creation of the *Bundesrepublik* as built under US tutelage in a process of nation-building is that it is a return back to the orthodox school, overlooking 40 years of research on the occupation of Germany in the process.

There are several works that have been important for me in examining the US occupation of Germany. The biographies of Kurt Schumacher (Edinger 1965) and Kurt Adenauer (Schwarz 1986) have given me a valuable look into German politics and how they shaped the creation of BRD during the occupation period. Rolf Steiningers *Deutsche Geschichte* (1987;1988) has helped me with understanding both the German as well as the Allied (especially British) views during the occupation. Steininger also offered a wealth of primary sources that I have been far too lax in

taking advantage of in this thesis. Other primary resources that I have spent too much time reading and too little time incorporating in this thesis is the *Foreign Relations of the United States* (FRUS 1945-1949) series and a collection of Lucius D. Clay's letters (Smith 1974) For an overview of American economic policy in Germany, John Killick's *The United States and European Reconstruction 1945-1960* (1997) has been priceless.

On the scope and limitations of the US occupation I have drawn heavily from the aforementioned Gimbel (1961;1968) and Peterson (1978), as well as from the newer generation of German historians that have built on these works to show internal German power groupings and processes and their influence on the occupation. One of the main inspirations from this historical school was a compilation of articles entitled *American Policy and the Reconstruction of West Germany, 1945-1955* (Diefendorf et al., 1993)

When it comes to the field of nation-building research, I have already outlined the main developments in this field over the last half century. I will therefore jump directly to briefly presenting the main theoretical works I have used in examining the nation-building term. Francis Fukuyama has been an outspoken proponent of the spreading of "liberal democracy". He is a previous member of the neoconservative think tank *Project for a New American Century* (PNAC) as well as a former supporter of the invasion of Iraq. With the obvious intent of establishing himself as a leading authority on nation-building (or state-building as he prefers to refer to it), Fukuyama has written a series of influential books and articles on the subject. His latest offering, as editor of *Nation-Building: Beyond Afghanistan and Iraq* (2006) unfortunately came too late to influence this thesis. Extra so because the volume includes works from other nation-building scholars who have had influence on this thesis; names such as Minxin Pei, James Dobbins and Larry Diamond.

Fukuyama's *State Building* (2004) has been used extensively however, especially to cover the aspect of strength of state institutions and its vital importance in any nation-building attempt, as well as the immense difficulties an outside force will have to overcome to build them. (As a personal note I am struck with disbelief at how Fukuyama can support nation-building if he really sees the process as being as difficult as he portrays.)

Professor Jochen Hippler has a series of articles in German and English available online, at <http://www.jochen-hippler.de/index.html> examining among other

things the meaning and evolution of the term nation-building, which has been of great help. Likewise Cristoph Zuerchers article on external-led nation-building (2006) has been helpful, by synthesising the views of a number of writers into a concise and relevant division of nation-building into commonly-referenced factors.

Finally, and most importantly, we have the RAND study *America's Role In Nation-Building: From Germany to Iraq* (Dobbins et al. 2003), a collection of case studies of American nation-building attempts along with a comparative analysis, with the goal of extrapolating "best practises."

As noted earlier, I have taken my definition of nation-building from this widely-cited work, as well as the definition of success. The structure of the German part of this thesis was also to a certain degree inspired by the succinct and rather thorough look at the US occupation in the RAND study. Unfortunately, the conclusions drawn from this summary of the German occupation are at times rather tendentious.

To quote some of the more egregious examples: After acknowledging that the denazification effort had to be scaled back and shut down, because of overly ambitious goals and a lack of resources, the study concludes "*In the long run, this more-practical policy helped lead to a more-thorough repudiation of Nazi policies by the German populace and eliminated remaining support for the return of such an autocratic regime.*" (Dobbins et al. 2003:14) There is no source for this rather remarkable assertion, and indeed, extensive polling done by the US Military Government in its zone seems to contradict this view. (Merritt and Merritt 1970: 30-33) Likewise the study claims that the US administration successfully broke up German cartels and was instrumental in creating a free-market economy in Germany after the harsh winter of 1946. As I will show later, decartelisation was never truly attempted, and the German economy was essentially planned on the macro level and almost entirely non-existent on the local level. The case study of Germany concludes with, among other things "*The economic policies General Clay and the U.S. Army personnel under his command pursued were key to the economic recovery of West Germany.*" (Dobbins et al. 2003:22) While strictly true on a semiotic level, the historical record points to US policies and lack of Allied consensus as one of the main causes of the long, harsh economic downturn in Germany after the Second World War.

2. American planning and occupation

This chapter will focus on several aspects: The extent of occupation planning and policy making, how interdepartmental squabbles and lack of communication influenced the planning phase, and the extent to which these differences in opinion turned the planned occupation into a project of collective punishment instead of nation-building. In the next chapter, we will look at how the compromise hammered out in Washington on post-war policy, influenced the occupation., and how the focus on "punishing" the Germans did not go away until the Cold War was in full bloom.

American planning of the occupation started before the United States joined the Second World War. Despite this, military rank and file was still not sure of American policy in occupied Germany when the first American troops entered Germany towards the end of 1944.

The goals were high, as one would expect from the administration responsible for The New Deal. But planning of the occupation was marred by interdepartmental strife between the Department of War (DoW), Department of State (SD) and Treasury. This chapter is an overview of the different camps, and their struggle to put their stamp on post-war policy in Germany.

2.a The Department of War

Since the Mexican War (1846-1848) American military occupations had been administered by the Department of War. Naturally, Secretary of War Henry L. Stimson expected this to also be the case in Germany. With the start of hostilities in Europe in the autumn of 1939, army planners started to worry about the lack of plans for military government of occupied territories. The only Army plans existing at the time was a subsection in the newly released military field manual FM 27-10, *The Rules of Land Warfare*.

Together with the recommendations from the so-called Hunt Report regarding the lessons from the American occupation of the Ruhr after World War 1, FM 27-10 would become the foundation for FM 27-5; *Military Government*. It was the first blueprint for military government of occupied territories. These field manuals would be the basis for army planning on the occupation of Germany, along with all the

liberated territories. "The Old and New Testaments of American military government," as Ziemke (1975:4) puts it.

FM 27-5 called for the training of military personnel in the art of military government in occupied territories. With the widening of military responsibilities over civilians, brought on by the imposition of martial law in Hawaii and the forced internment of Japanese-Americans and other "enemy combatants," need for a training programme increased. (Ziemke 1975:6) In the summer of 1942, the School of Military Government opened on the campus of the University of Virginia, in Charlottesville Virginia.

Provost Marshal General Allen W. Gullion, who had administered the writing of FM 27-5, was also the main driving force behind the School of Military Government. Gullion worked tirelessly on centring responsibility for occupation planning in his office. He was helped in this by Under Secretary of War Robert B. Patterson. Patterson was worried about other departments "encroachment" on the military command. One example of this was a meeting with DoW officials and Secretary of the Treasury Henry J. Morgenthau on September 4 1942. This meeting was ostensibly about currency issues on the North African front, but was marred by attempts by Morgenthau to put the whole issue of occupation policy on the agenda. Morgenthau was well informed on the work done so far, and informed the DoW representatives that his own department was also looking into occupation policy. Morgenthau was a close friend of Roosevelt, and anxious to put a stamp on post-war planning. This was a worrying development for the DoW officials present at the meeting.

Under Secretary of War Patterson's moved to head off the DoW rivals. On August 16 1942, Gullion was handed the authority of setting up a Military Government Division in the Provost Marshal General's Office "to engage in broad planning." This group authored "Synopsis of the War Department Pro-ram [sic] for Military Government." The synopsis aimed "*to assert and maintain War Department leadership in military government and at the same time invite and employ a wide cooperation with other departments and agencies of the government...*" according to a later Military Government Division memo. (Ziemke 1975:11)

Criticism was strong when the synopsis was presented in a cabinet meeting on October 29. Secretary of the Interior Harold L. Ickes objected to what he saw as a

germ of imperialism in the plans for military government. Others objected to being sidelined by the DoW on this issue.

The army's early foray into policy planning did not sit well with President Roosevelt either. He saw it as encroaching on territory he had staked out for himself (Merritt 1995:50). After the meeting he drafted a memo to Secretary of War Stimson, asking for a full account on the work at the School of Military Government. Roosevelt was especially critical of the School of Military Government, and felt that the matter should have been taken to him in the first place. He concluded by pronouncing that governing civilian territory was to be a civilian task. (Coles and Weinberg 1965:22)

In November 1942 he handed "*full authority for economic, political and fiscal questions in liberated territories*" to Cordell Hull's Department of State. (Merritt 1995:50) Through its *Office of Foreign Territories*, the Department of State tried to use its newly given powers to control the recently conquered territories in Northern Africa. However, their job was fraught with difficulties. The Army was unwilling to share command and decision-making in areas under their control, while the *Board of Economic Warfare* and the *Lend-Lease Administration* were also trying to become leading voices in occupation policy.

The impasse was solved when General Eisenhower got a dispensation for overall Army control of the administration of civilians in Northern Africa, effectively giving back control of occupation to the Army "on sufferance". Eisenhower argued that the Army was instructed to hand over control of occupied areas to civilian agencies as soon as the military conditions allowed. But as long as the enemy was holding Tunisia, the military could not safely return any area in North Africa to civilians. This policy was followed with the invasion of Sicily and Italy proper. (Ziemke 1975:15-17)

In February 1943, the Joint Chiefs of Staff opened its Civil Affairs Division, which was responsible for the administration and planning of civil affairs in occupied territories. This, along with infighting and indecision in the civilian agencies involved in occupation policy, led to the State departments *Office of Foreign Territories* getting marginalised, and its eventual shutdown not long after, along with the White House's last endeavour into the "nitty-gritty" of occupation planning, the Foreign Economic Administration. (FEA) (Merritt 1995:51, Coles and Weinberg 1992:93)

The FEA was instituted in September 1943, but already two months later, Roosevelt handed the responsibility for coordinating and implementing policy on

post-war Germany back to the Department of War. (Coles and Weinberg 1992:108-109)

Pacified areas were still to be turned over to civilian control at the earliest possible time. But Roosevelt's decision was an admission that the Army had, through its planning and the experience gained in the North African campaign, assumed de facto leadership in administration of occupied territories. In the end, the Army ended up getting what they had asked for in their much-criticised Synopsis.

This proved to be a problem for post war planning, since the military had specific orders to hand over control to civilian agencies as soon as the situation allowed. And the Army was busy enough just handling the logistical challenges of feeding and controlling freed areas. They did not want to worry about the structure of a post-war occupation of Germany. (Ziemke 1975:21)

2.b Department of State

Although the Department of State was forced into a subordinate role in occupation planning, Secretary of State Cordell Hull's department was working actively on the German question. Early in 1942 the Advisory Committee on Post-War Foreign Policy was instituted to coordinate State Department planning.

Their work, however, was marred by policy disagreements within the department. Hull was strongly in favour of a united Germany after the war, while the President was strongly in favour of breaking it up. Roosevelt's view was shared by important members of Hull's staff, the most prominent one being Under Secretary of State Sumner Welles, who would resign later as a result of the disagreement. (Merritt 1995:54)

Welles assigned the question of partitioning Germany to the committee, and the committee worked on detailed plans for turning it into three to seven different states. In the end however, the committee agreed with Hull's view that Germany should not be dismembered. (Hammond 1963:317) The controversy slowed and hindered the State Departments policy making capacity for the first half of 1943 however, and in the end, moved it into a position of disagreement with the President.

In July Hull, after finally getting the committee to support his view on partition, suspended the Advisory Committee on Post-War Foreign Policy and its subcommittees indefinitely, and instituted a new structure of policy planning committees.

The leading committee on the German question was the *Interdivisional Country Committee on Germany*, composed of former staff members of the Advisory Committee as well as State Department experts on Germany. They would prepare Hull for the upcoming tripartite meeting between the allied foreign ministers in Moscow, and would extrapolate on Hull's views, now that the storm within the department had subsided.

At the Moscow Conference in October 1943, Hull got a chance to put his stamp on post-war policy. The conference was a meeting between Hull and the foreign ministers of Britain (Anthony Eden) and the USSR (Vyacheslav Molotov). The primary focus of the conference was the German question. Hull presented two proposals on German occupation policy, drawn up by the State department. These proposals began by elaborating on the meaning of the demand for unconditional surrender and by detailing the rights of the victors. Germany was to be returned to its pre-1937 borders, and controlled by an inter-allied control commission, not by the allies individually. This commission would have the final word on occupation policy in the separate occupation zones that would be given to each of the allies.

There was agreement on a policy of punishment of Nazi leaders and destruction of the Nazi party structure, and that Germany should be thoroughly demilitarised. On reparations, economic issues and political reorganisation, the foreign ministers had more problems finding a common policy. While Molotov initially agreed to the State Departments call for a somewhat lenient peace, he would later say that he regarded the American proposal as constituting a minimum rather than a maximum proposal. (Meaning that the level of reparations offered by the Americans was the lower limit, not the upper.) To work further on these questions, they decided to establish a *European Advisory Committee* (EAC) to handle this and other problems that might arise pertaining to issues of occupation policy. (Hammond 1963:316)

The EAC, which had a somewhat unclear mandate, turned to the two most important problems on allied occupation of Germany: The issue of dividing Germany into occupation zones, and the hammering out of a tri-partite control apparatus for the occupation. The British were interested in getting as many of these issues as possible on the table and preferably settled before the end of the war. The Russians were sceptical, but were willing to work through the committee. The Americans, under Ambassador John G. Winant, on the other hand, could not effectively work through

the EAC, for the simple reason that Winant was unable to get adequate instructions from Washington. Roosevelt was intent on settling important policy issues regarding the occupation himself, and Hull was unable to get the president's approval for the work done in the EAC. Since all decisions had to be unanimous, Winant could do nothing but stall British and Russian initiatives, while not having any authority to put forth proposals himself.

One of Winant's main problems was that he was being briefed by the Interdivisional Country Committee on Germany, which mirrored Hull's views, but not necessarily those of Roosevelt. The State Department "*opposed dismemberment, wished to encourage democracy in Germany through a moderate peace, and advocated de-centralisation of the government of Germany.*" (Hammond 1963:318), this was in opposition to Roosevelt, who wanted a hard peace and a partitioning of Germany.

The toothlessness of the State Department in German occupation planning was apparent during the Teheran conference, November to December 1943. Here Roosevelt ignored the work done at the Moscow conference (which was supposed to be a preliminary meeting for the Teheran conference), and argued strongly in favour of partitioning Germany into several smaller states, but could not agree with Churchill and Stalin on the details. Stalin argued for strict peace terms; a division of Germany, hand-over of Prussian territory east of the Oder river to Poland, summary execution of Nazis and de-industrialisation. Churchill strongly disagreed, while Roosevelt joked with Stalin about a "compromise" on how many German military officers that should be summarily shot, and discussed how Germany would be divided. (Beschloss 2002:26-27) This was of course completely counter to the plans being worked on in Hull's Department of State.

2.c The lenient peace: CCS 551

When General Eisenhower assumed command of *Operation Overlord* in December 1943, he asked for a concise plan for post-war Germany. As noted earlier, the EAC, which was formally responsible for policy issues pertaining to the occupation of Germany, could not help. In anticipation of agreement on post-war policies, the *Anglo-American Combined Civil Affairs Committee*, a committee under the Anglo-American Combined Chiefs of Staff drew up a directive for pre-surrender policies in

Germany. The document was drafted with the aid of, on the American side, the State, Treasury and Navy Departments.

This was the first authoritative document on military occupation strategy in Germany for the Western allies. It was surprisingly mild compared to Roosevelt's tough stance during the Teheran conference. The document started by stating that "... *It should be made clear to the military occupation is intended (1) to aid military operations; (2) to destroy Nazism-Fascism and the Nazi Hierarchy; (3) to maintain and preserve law and order; and (4) to restore normal conditions among the civilian population as soon as possible...*" (CCS 551, cited by Hammond 1963:328)

German industry and infrastructure would be left intact, to feed and support the German people, and pay for the occupation. The occupation authorities would allow freedom of speech and press, and of religion. The establishment of local government, making use of both Germans and Allied officers, would be encouraged. There would be no absolute ban on the employment of Nazis, and while political activity would be discouraged, the Allied Command would "*permit the formation of a democratic trade union movement and other forms of free economic association.*" (CCS 551, cited by Hammond 1963:328; Pogue 1954:347-348)

From this directive, handbooks and papers on how to practically approach the occupation were produced for distribution to Army commanders and civilian agencies. The directive was the first serious and full-scale handling of the questions pertaining to occupation policies, and mirrored State Department and British views on policy. It stayed clear of political questions regarding the occupation however, except for the goal of destroying the Nazi party apparatus.

Meanwhile the State Department tried to clear up the logjam in the EAC, by establishing the Working Security Committee (WSC), which was to bring together all government agencies that would have a hand in German occupation policy. The goal was to hammer out an agreement on guidelines for Ambassador Winant in the EAC. The two main parties in the WSC would of course be the Department of War and the Department of State. The committee was at a stand-still up until August 1944 however, due to DoW foot-dragging. "*The War Department had shown only indifference to cooperation with the State Department for the purpose of clearing American policy in order to expedite Anglo-American negotiations on the treatment of Germany. It seemed to be confident that what policies had to be settled [could be handled] through military channels to the President...*" (Hammond 1963:346) The

belief was not altogether unfounded, as Roosevelt's habit of roundly ignoring State Department policy initiatives suggests. Roosevelt's disregard for much of Hull's work at the Moscow conference, described above, was just part of a pattern, according to Beschloss. (2002)

2.d The Morgenthau Plan

Henry Morgenthau was, as Secretary of the Treasury, deeply involved in the economic aspects of the War and the post-war planning. And, as noted earlier, he was anxious to expand his influence on post-war policy.

As news of the Holocaust trickled out of German territory and across the Atlantic, Morgenthau tells in his memoirs about how he became radicalised. As the most influential Jew in the US Administration, he tried to pressure Roosevelt and the War Department into bombing the Nazi death camps, and became the main proponent of a hard peace for Germany. His calls for air raids went unheeded, but soon the Treasury would catch the ear of everyone in Washington.

On a trip to Europe in August 1944, Assistant Secretary of Treasury Harry Dexter White handed Morgenthau a paper on reparations, restitution and property rights in occupied Germany, authored by the Dean Acheson in the State Department, which upset him greatly. Morgenthau saw great danger in what he perceived was a "soft peace" that ignored the most important part of post-war policies towards Germany, namely how to stop the Germans from threatening the world with war again. (Ziemke 1975:86)

In Britain, Morgenthau met Colonel Bernhard Bernstein, economic advisor in Eisenhower's staff. Bernstein was an old Treasury man, who had been commissioned into the Army through the Civilian Affairs Division and the School of Military Government program. He shocked Morgenthau even more, by handing him a draft of the *Handbook for Military Government in Germany*, produced by the German Country Unit in Eisenhower's Supreme Headquarters Allied Expeditionary Force (SHAEF). (Beschloss 2002:71)

The book was supposed to be a practical guide to help commanders on the ground deal with the daily routine of military administration of occupied areas, during the push into Germany. But it was likely to influence post-war planning, by being standard policy by the time of an eventual surrender. To Morgenthau it seemed to

treat Germany in the same way as the countries that were being liberated from the Germans.

Other aspects of the post-war planning were also worrying for Morgenthau. He talked to Ambassador Winant, who again voiced his frustration on the lack of input from Washington on the work being done in the EAC. Later, in a private conversation with British Foreign Minister Eden, he was shown transcripts from the conference in Teheran, which showed, surprisingly, that Roosevelt had agreed to policies that neither the Department of War or Department of State seemed to know about. One example was the decision to partition Germany. (Beschloss 2002:77-78)

Deeply concerned, but at the same time conscious of the gap between the State Department policy makers on Germany and the president, Morgenthau went into action setting forth his views, which he believed to be closer to the Presidents. He instructed Treasury staffers to write a draft paper detailing Treasury policy on the German question, and used the issue of the unknown Teheran transcripts to drive a wedge between the President and Secretary of State Hull.

First he went to Hull and told him what he knew of the Teheran conference. In his diaries Morgenthau wrote that on receiving this news, Hull gasped "*Henry, this is the first time I have ever heard of this! I have never been permitted to see the minutes of the Teheran conference. I have asked [the President] and I have not been allowed.*" After being consoled by Morgenthau, Hull reportedly continued lamenting "*I am not told what is going on. That's on a higher level... When they talk about the state of Germany, I am not consulted.*" Hull was "*exhausted fighting the different people around town*"... "*The president could stop it in a minute – if he wanted to do it.*" (Beschloss 2002:81)

After this meeting Morgenthau met with Roosevelt, telling him that the post-war planning on Germany was in disarray, and that the departments of State and War were working towards an occupation framework in direct opposition to what had been agreed upon in Teheran. Later he handed the Handbook over to Roosevelt, along with his comments on what he considered especially gregarious parts. The President, upon reading the handbook and memo, acted swiftly.

The errant handbook arrived in Stimson's office on the 26th accompanied by a presidential memorandum which began, "This so-called Handbook is pretty bad. I should like to know how it came to be written and who approved it down the line. If it has not been sent out as approved, all copies should be

withdrawn and held until you get a chance to go over it." There followed passages from the handbook pertaining to economic rehabilitation that Morgenthau had singled out as particularly objectionable. "It gives the impression," the memorandum continued, "that Germany is to be restored as much as the Netherlands or Belgium, and the people of Germany brought back as quickly to their prewar estate." The President said he had no such intention. It was of "the utmost importance" that every person in Germany should recognize that "this time" Germany was a defeated nation. He did not want them to starve. If they needed food "to keep body and soul together," they could be fed "a bowl of soup" three times a day from Army soup kitchens. (The first version reportedly read, "a bowl of soup per day.") He saw no reason, however, for starting "a WPA, PWA, or CCC for Germany. "The German people had to have it driven home to them that "the whole nation has been engaged in a lawless conspiracy against the decencies of modern civilization. (Ziemke 1975:86)

Paris was liberated in late August, and the allies were speculating about an end of hostilities in 1944. When Stimson ordered that the handbook was to be thrown out, General Hildring of the Civilian Affairs Division told him that allied troops might be in Germany within days, and it was too late to withdraw the handbooks. He was also informed that the British had already approved the Handbook, and it would take considerable time to work out a new one that was closer to the Presidents views. The Civil Affairs Division had no option but to distribute the Handbook, but with a warning affixed to the front, from the Combined Chiefs of Staff, on the dangers of being too lenient towards the Germans. There were also some revisions done to the text, more in an attempt to rectify specific criticisms by the President and Morgenthau than to change the general gist of the Handbook. (Ziemke 1975:88-89)

To clear up the mess that resulted from the apparent disagreement on fundamental issues between Roosevelt and his policy planners on Germany, the President instituted (on a suggestion from Stimson) a cabinet committee to hammer out a compromise. This committee consisted of the Secretaries of State, War and Treasury. (Hammond 1963:355)

To present their views in this committee, the three departments' planners set to work on papers presenting their differing views. The Treasury department had been working on a paper since Morgenthau's return from Europe, while State planners produced a memo of State positions on the occupation, based on State papers and what had been accomplished in the EAC so far.

The memo repeated the State Department's opposition to a dismemberment of Germany, dissolution of the military forces and destruction of all military equipment,

liquidation of the Nazi party and the exclusion of party members from civilian administration, the end of discriminatory laws, and the imprisonment of war criminals. The memo did not mention economic measures, the area where the biggest differences existed within the government. (Hammond 1963:361)

The Department of War, which so far had tried to stay out of policy planning not directly pertaining to the military obligations during occupation, had to hastily prepare their own opinion. On most issues, Army planners agreed with State's views, which they already knew well. The army was mostly interested of issues of the Command chain, and they wanted to keep German weapons for the war against Japan. Otherwise they had few objections to the State Departments views.

Treasury's view was presented in a memo that can be seen as the first draft of what would later be called the Morgenthau Plan. It called for the complete disarming of the German army and people, the total destruction of the armament industry, as well as supporting industries. Regarding the partition of Germany, large part were to be given to neighbouring countries, the rest divided into two states, each made into decentralised federal states.

The Ruhr, Kiel Canal and the Rhineland would become an internationalized free trade area. Reparations for the war would be extracted from existing German resources and territories. Members of Nazi organisations, along with military officers and members of the Junker class, would be put in labour battalions used for the reconstruction of countries damaged by German warfare. Attempts by occupying forces to help in reconstruction of the German economy would be strictly forbidden in any way or form, and once Germany was completely disarmed, the occupation would be turned over to neighbouring countries (including Russia, but excluding Britain.) (Hammond 1963:362)

This draft was rejected by Morgenthau, because it did not go far enough. Morgenthau wanted a complete dismantling of all industry in the Ruhr area as well as the destruction and flooding of all coal mines. On Roosevelt's suggestion, he also added a total ban on all aircraft, and on military uniforms and parades of any sort. The main area of disagreement was on the issue of economic policies, with Morgenthau advocating a "pastoralisation" of Germany, while Hull and Stimson insisted on leaving German industrial power somewhat intact. Stimson also argued against Morgenthau's suggestion of summary execution of a pre-approved list of Nazi criminals.

The cabinet committee came to no common ground in its first few meetings. But the extent which Roosevelt shared Morgenthau's views became even more obvious when he brought Morgenthau with him to a conference in Quebec with Churchill. Neither Stimson nor Hull was present at the meeting, where Roosevelt pressured an initially shocked Churchill into signing a document calling for turning Germany into a country "*primarily agricultural and pastoral in character.*" With Churchill's initials on paper, Morgenthau and Roosevelt turned to the issues of continued Lend-Lease aid, something Churchill considered of vital importance to the British post-war economy, and an agreement was signed conforming to British views... (Beschloss 2002:125-130)

With the Quebec agreement, the impression among his opponents in the departments of War and State was that Morgenthau had won a decisive policy victory in Quebec. Not only was his punitive policies towards Germany approved by Roosevelt, Churchill had also (more or less voluntarily) been "converted" into a supporter. (Hammond 1963:377)

2.e No fraternisation, no economic help: JCS 1067

The focus among policy makers in the Departments of War and State was on damage control after the Quebec conference. A new interim directive on Germany was in the process of being drawn up while the controversy was raging. With Treasury having captured the President's ear, CCS 551 had to be modified. But State and War planners were hoping to soften or bypass the harsher parts of the Morgenthau Plan, during the drafting of this directive. Hull and Stimson attempted to limit Treasury influence on drawing up this paper, in committee and outside, including through alleged leaks of information to the media.

The Morgenthau Plan and the Quebec agreement were leaked to the press (the most likely suspects being State department officials according to Beschloss,) leading to a scandal. The plans for a hard peace was eagerly taken up by the German propaganda machine as a "Jewish Murder Plan" (Beschloss 2002:144), and Thomas Dewey, the Republican challenger in an increasingly heated presidential election campaign, used the uproar for all it was worth, stating that "*Almost overnight the morale of the German people seemed wholly changed. Now they are fighting with the frenzy of despair. We are paying in blood for our failure to have ready an intelligent program for dealing with invaded Germany.*" (From speech published in New York

Times, October 19 1944 cited in Hammond 1963:383) The American press was divided on whether a hard peace was desirable or not, but it was clear for everyone that there was a serious policy split within the Cabinet in regards to Germany.

Roosevelt did not want to get involved in this mess during the election season, and tried to back-pedal from the Quebec agreement. When Stimson showed the president the agreement he and Churchill had signed in Quebec, Roosevelt reply was that he had no idea how he could have signed such a document. (Beschloss 2002:149) Despite feigning ignorance and keeping as distant as possible from the scandal, Roosevelt did not really show any willingness to go back on his support for a hard peace for Germany.

The Morgenthau Plan was therefore bound to colour the directive being drawn up for the American occupation. The document, which after being approved by the Joint Chiefs of Staff was assigned the name JCS 1067, was in some ways a watered down version of the Morgenthau plan. Eisenhower was instructed to exert control over German economy only as much as necessary to stop war production, hunger and sabotage.

So far I have discussed the chaotic process of planning the occupation as a conflict between distinct structures in the US administration. Along with Roosevelt's aloofness, the differing goals, institutional memories and structural differences between the departments of War, Treasury and State were undoubtedly part of the picture. Now I move to the end product of the chaotic planning process, the JCS 1067.

3. Crime and Punishment: A look at JCS 1067

The American goals with in the occupation of Germany were neither primarily territorial nor economic. Roosevelt had originally favoured dismembering Germany, with the Western parts falling under a British sphere of interest, and the eastern parts under the Soviet umbrella, as a part of his “grand designs for the peace,” a vision of the post-war geopolitical landscape, consisting of the so-called “4 policemen”. Through the apparatus of the United Nations, collective security would be enforced by 4 great powers in their regions: The United States, Britain, USSR and China. Germany was to be neutralised as a threat to British and Soviet dominance in Europe, and American troops returned home as soon as possible.

With Roosevelt’s death the drive towards creating his post-war vision slowly lost force. James F. Byrnes, who took over as Secretary of State after Stettinus in the new Truman administration, tried to keep the cooperation with the war-time Allies going, but was increasingly frustrated in his goals by resistance from Soviet negotiators, the French and growing anticommunist sentiments at home. (Peterson 1978:20-21)

America’s goals, expressed through an aggressive and punitive policy to “crush Nazism,” were prominent in the main policy document on the early occupation, usually referred to as JCS 1067 (Joint Chiefs of Staff document 1067).The development of this directive and the compromises hammered out were presented in chapter 2. Despite the gradual death of the vision of post-war cooperation between the allies, the Occupation Directive for Germany worked out during the last days of the Roosevelt administration would continue to be the basis for the Military Government (MG) up until mid 1947.

3.a JCS 1067

According to one of its critics JCS 1067 was: “*Harsher in tone than either its British or Soviet counterparts, as well as ill-considered, narrow, and generally unenforcible [sic], JCS 1067 turned policy-making in Germany into an American political football.*” (Gillingham 1993:113.) . Or as Walter Dorn put it “*What is so striking about J.C.S. 1067 is not that it was a punitive document – it could not have been otherwise – but that it was an exclusively punitive document.*” (Dorn 1957:498)

The Americans were in Germany not only as Conquerors, but as the deliverers of Justice. The ambiguity of policy came from the fact that there was no consensus on what kind of justice was needed. Roosevelt and Morgenthau had been proponents of a harsh peace with Germany, including summary execution of much of the officer corps, deindustrialisation and fragmentation of Germany. This extreme position lost ground with the death of Roosevelt, but it still had considerable resonance among the American public and in political circles for years.

Robert Wolfe, who was an officer in the American Military Government in Germany, thinks lenient policies in the first postwar years were nearly impossible due to public opinion at the end of a:

... war more unquestionably instigated by the losers than any major war in history, and ending with disclosures of mass murder of innocents on a scale and intensity unmatched in human experience . [...]

The initial policies of U.S. Military Government were not originated by ‘that vengeful Jew,’ Henry Morgenthau, as the persisting misconception would have it. The hard policy embodied in JCS 1067 and expressed so trenchantly in General Eisenhower’s proclamation ‘We come as conquerors, but not as oppressors,’ represented an attitude common to most Americans at that stage. (Wolfe 1993:196)

Historians have been harsh towards Morgenthau and his “meddling in foreign policy”, something Wolfe dismisses:

This attitude included the Military men at the top of the Military Government. The official instructions to the American Commander in Germany reflected these views. While JCS 1067 was not as punitive as the Morgenthau Plan favoured by Roosevelt, it was still very much a plan for the punishment and containment of Germany and its supposed totalitarian tendencies.

3.b Germany locked down

“3.e [...] no civilians shall be permitted to leave or enter your zone without your authority, and no Germans within your zone shall be permitted to leave Germany except for specific purposes approved by you.” (FRUS 1945 III:486)

As clearly stated in JCS 1067, the primary goal of the American occupation in its infancy, was to prevent another German threat to World Peace. The whole American zone was more or less put under house arrest, while the US and its allies, the judges in the “Court of World Opinion,” decided what Germany’s punishment would be. The

cities were put under strict curfew; violators were to be shot on sight. Germans needed travel visas for even the smallest trip. All political activity was banned, and the population, including the police forces, were disarmed. (Peterson 1978:272-3)

Much has been made out of the “guilt clause” in the Treaty of Versailles, blaming Germany for the First World War. But its supposed harshness is nothing compared to the indictment levelled on the German people in JCS 1067. (All excerpts from JCS 1067 are from the revision usually referred to as JCS 1067/6, signed by President Truman on the of May 16 1945)

“It should be brought home to the Germans that Germany’s ruthless warfare and the fanatical Nazi resistance have destroyed the German economy and made chaos and suffering inevitable and that the Germans cannot escape responsibility for what they have brought upon themselves.” (FRUS 1945 III:487)

The Military Commander was instructed that *“Germany will not be occupied for the purpose of liberation but as a defeated enemy nation. Your aim is not oppression but to occupy Germany for the purpose of realizing certain important Allied objectives.”* (FRUS 1945 III:487)

The Germans were going to be put on trial, and the American commander and troops were the Judge and Jury. The Commander of the American zone was instructed to be *“just but firm and aloof.”* This aloofness was extended to all Americans under his command. *“You will strongly discourage fraternization with the German officials and population.”* (FRUS 1945 III:487)

As we shall see later, the discouragement of contact between American Military Government personnel and the Germans served to alienated the Germans and make the administration of the American zone and the accomplishment of American goals more difficult.

These were far from abstract phrases in the directive, not meant to be enforced. Some of the biggest scandals of the early occupation, like the Administration of Aachen and Patton’s removal from his position as Military Governor of Bavaria, happened at least partly because of “fraternisation” between American Officers and Germans. (Gimbel 1968:3)

So what were the “important Allied objectives” that the zone Commander was tasked with accomplishing?

“4.c The principal Allied objective is to prevent Germany from ever again becoming a threat to the peace of the world. Essential steps in the accomplishment of this objective are the elimination of Nazism and militarism in all their forms, the immediate apprehension of war criminals for punishment, the industrial disarmament and demilitarization of Germany, with continuing control over Germany’s capacity to make war, and the preparation for an eventual reconstruction of German political life on a democratic basis.” (FRUS 1945 III:487)

Apart from the ban on political activity and organisations, the last half sentence of this paragraph is the only mention of democratisation in the whole document. In comparison, JCS 1067 included six pages instructing the MG Commander on various aspects of denazification and eight pages on Economic and Financial control of the American zone.

Tasking the zone Commander with starting preparations for “an eventual reconstruction of German political life” was hardly putting pressure on the Military Commander to act fast and forcefully in democratising the American zone.

In the discussion on the concept of nation-building in the introduction of this thesis I have mused that the RAND study definition probably is the closest thing to an American consensus view on what the concept entails. My view is that in the face of the rather specific objectives drawn up in JCS 1067, it is difficult to claim that “... *the intent was to use military force to underpin a process of democratization.*”(Dobbins, et al. 2002:1). Military force was clearly used as an instrument to destroy the German ability to fight another World War. The *eventual* democratisation of Germany was only a small part of this objective.

3.c Clay and JCS 1067

JCS 1067 was, with some amendments (the most important one being the post-Potsdam changes), the guideline the American Occupation until mid 1947, when it was superseded by the more accommodative JCS 1779.

The first American Military Government Commander in Germany was Dwight D. Eisenhower (of World War Two fame), who distinguished himself by his harsh attitude towards the Germans, purportedly intensified by visits to German concentration camps. He emphasised cooperation with the Russians to keep the defeated Germans in check, and was generally hostile towards all Germans. One story has him refusing to shake hands with a defeated German General, saying “I won’t

shake hands with a Nazi.” (Peterson 1978:55) From November 26, 1945 General Joseph McNarney took over, but was kept busy trying to quell GI discontent on Occupation duty. One rather interesting way of motivating his troops for the Occupation was by instituting “hate training” to warn GI’s of the lurking Nazi menace in the sleepy German Burgs of the American zone.

These two men left most of the policy decisions of the MG administration to their deputy Commander, Lucius D. Clay however. He would finally take over as MG Commander when McNarney left in March 1947.

Military Government officials, with Lucius D. Clay and his top advisors Robert Murphy and William Draper in the lead, have made much of their early resistance to the punitive aspects of JCS 1067. (Clay, 1950:16-18; Murphy, 1964:251) These accounts of early resistance have been an important part of the common narrative of the Occupation. This narrative sees the first post-war years as a battle between unworkable, harsh and vague directives from Washington and a MG apparatus interested in rebuilding and democratising the American zone.

Examples of recent additions to this view, Morgan (2002: 69-71), and Beschloss (2002) goes even further. Beschloss theorises that Clay was suggested as a candidate for his job by Deputy Secretary of War John J. McCloy, because Clay could be counted on to be lenient towards his German subjects.

Gimbel and others point out however that the only contemporary criticism by Clay and his men towards the policy directives (mainly JCS 1067) centered on the economic aspects. Basically he and his closest advisors feared that closing down German industry would hinder European reconstruction and lead to higher costs for the United States in the occupation, because the US would have to feed German refugees and fund German reparation payments to its neighbours. Clay did not support two high-profile American reports in the autumn of 1945 (The Calvin Hoover Report in August 1945 and the Byron Price Report in November 1945) criticising the harshness of the policies decided on regarding Germany. (Gimbel 1968:2-16)

Clay himself found that most of his early disagreements with JCS 1067 melted away after the Potsdam Conference in the summer of 1945 added provisions calling for a Centralised German control apparatus over the Economy. In a wire to the Civil Affairs Division of the War Department on December 2 1945, Clay stated that he “... *do[es] not understand what Byron Price had in mind*” with the criticism levelled

against American policy in his report. “*On the whole, JCS 1067 as modified by Potsdam has proved workable.*” (Gimbel 1968:22)

It would be tendentious to claim that Clay’s attitudes on JCS 1067 were constant over the period it was in force. But, at the same time, JCS 1067 went through several revisions, mostly to reflect the gradually softening views of the top administrator in the American zone. Clay was also granted wide-reaching powers to implement the policies of the directive as he saw fit. From early 1946, suspiciousness towards Russia started to rise, and with the bungled denazification offensive of the latter part of 1946, Clay starts to advocate softer treatment of Germans and economic rebuilding. In my view Clay’s opinion on the administration of the American zone only differed markedly from JCS 1067 from the winter of 1946-47 and up to the implementation of JCS 1779 on July 15 1947.

Indeed, in an interview Clay stated himself that he came to his duties “*determined to punish Germans, and therefore determined to get along with the Russians*”. His gradual slide towards an anti-Soviet attitude seems to have corresponded with the movement of American foreign policy in general. Clay claimed to have softened to German suffering, and to mistrust Russian intransigence before Washington caught up with his views, which might be true. (Peterson 1978:58-59) Others argue however that Clay was even slower at hardening his stance towards the Russians than Byrnes. (Hans Peter Schwarz in *Vom Reich zur Bundesrepublik* (1966:122) claimed that Clay did not change his opinion of Germans until the Berlin air lift of 1948.)

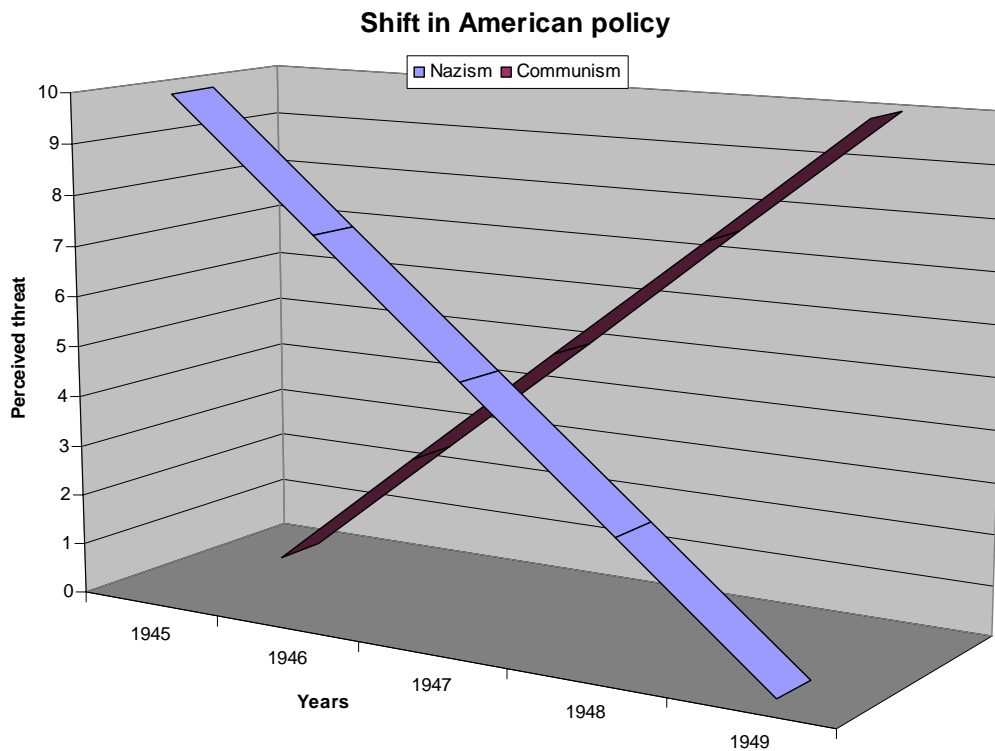
To a relative outsider in this debate, it seems, at least, that Clay’s opinions on German policies versus the directive he was to follow was ambiguous enough for historians to disagree. And since the US relationship with Germany had changed a great deal by the time Clay wrote *Decision in Germany* in 1950, he might consciously or unconsciously have chosen to present himself as relatively more pro-German than was the case in the early occupation.

3.d The Moral Occupation

It is my contention that it matters little, and that the rise of the Cold War, and the subsequent removal of punitive policies towards Germany (leading to reconstruction and independence) can be found in the national characters and strategic positions of the three main sides in the occupation, the United States, the Soviet Union and

Occupied Germany, while the two other occupying powers, France and Britain, probably only managed to delay and confuse the eventual showdown.

Figure 3.1



This very simplified Graph is a way to illustrate an important point to this thesis, the two phases the occupation of Germany went through. The United States went into Germany with the stated goal of crushing Nazism and German militarism and making sure Germany would never be a threat to World Peace again.

The principal way of doing that would be the destruction of the German Military-Industrial Complex and the economic system that made it possible, along with the weakening of the centralised elite-controlled administrative apparatus. To do this, America needed the cooperation of its allies, primarily the Soviet Union.

At the end of the Second World War Germany was a country in which one third was Nazi party members and supporters that believed in a strongly hierarchal ideology based on the showing of strength, while the remaining two thirds of the population were more or less forced into compliance or at least passivity. It is easy to

claim afterwards that the allies should have seen that the Germans would be passive in the face of an occupation army. The American expectance of conflict and resistance among the German population is consistent with an American view of Germany as “evil”, and their failure to act in an “evil ways” undoubtedly changed the perception about Germany at home. The Germans had been saved, while the Soviet Union turned evil by placing itself in opposition to the US. “*Clay, who came to Germany prepared to let the Germans suffer, had by 1946 or 1947 decided he had no choice but to limit their suffering or lose them to communism.*” (Peterson 1978:350)

And with this shift in perspective, the Occupation went from being a fight against Nazism to being a fight against Communism. As we shall see later, this involved letting the MG control be pushed back by the resurgent German political class. Whether this can be characterised as nation-building will be discussed in later chapters. Here we will take a look at how it was cognitively possible for American decision-makers and the American public to switch so easily from being friendly to the Russians and virulently Anti-Nazi, to being friendly to the Germans and virulently anti-communist.

3.e Utopian moralism

The American tradition of following an absolutist, moralistic foreign policy is long and persistent. Whether this moralism is used as a propaganda tool to sell a war to the masses, or whether it is the logical outcome of the American self-image can be debated. But most American foreign adventures have been framed by their supporters as “moralistic crusades”, from The War of 1812 (a fight to eliminate monarchical rule) and the Civil War (a fight to end slavery), up to the present, almost caricatures of these moral sentiments, with the rhetoric of the “Axis of Evil” and “democratising the Middle East.”

Seymour Martin Lipset sees such justifications for conflict as a sign that Americans are what he calls utopian moralists, “... *who press hard to institutionalize virtue, to destroy evil people, and to eliminate wicked institutions and practices. They tend to view social and political dramas as morality plays, as battles between God and the devil, so that compromise is virtually unthinkable.*” (Lipset 1991:22)

This unwillingness to compromise sometimes makes the American perception of the rest of the world prone to violent changes, depending on whether foreign powers choose to cooperate with the US or not. When Germany invaded the Soviet

Union in June 1941, Churchill greeted the emergence of his new ally by dryly noting that he was prepared to make a treaty with Satan if necessary to beat Nazi Germany.

Not so across the Atlantic. “The United States does not ally itself with Satan. If circumstances oblige it to co-operate with evil regimes, they are converted into agents of virtue.” (Lipset 1991:24) In the American media, Stalin was instead depicted as a friendly, delightfully brusque pipe-smoking “Uncle Joe.” What is maybe most fascinating is that these attitudes seem not only to be “propaganda for the masses,” but that they were also shared by American leaders. Roosevelt has been rightly criticised for his mistaken optimism and trust in his relationship with Stalin.

Not only Roosevelt, but a large percentage of the American public had a very positive attitude towards the Russians at the end of the War. Truman is said to have been suspicious of the Russians, but left the running of American foreign policy more or less in the hands of his Secretary of State, James F. Byrnes, who consistently sought a policy of cooperation with the Soviet Union well into 1946.

This same utopian moralist attitude, however, made it relatively easy for the Americans to move from a strong anti-Nazi attitude with the Communist Soviet Union as a valued ally, to a position of violent anticommunism with the Germans as good Western European democrats as soon as it became clear that the defeated Germans were accepting their fate as an occupied nation without too much struggle, while the Soviet Union consistently sought to extend its sphere of influence.

It has to be mentioned here that Lipset is a representative of one tradition on American self-consciousness (or what you might call exceptionalism or nationalism or any other of the terms with roughly the same meaning.) Marxists historians, in the ilk of Howard Zinn, see the American exceptionalism as the ideology of the strong, a moral *carte blanche* to spread American power and implicitly the internal American power structure.(Zinn 2005) While it is certainly true that national leaders and elites will often exploit nationalism for their own gain, the limited application of Lipsets theories in this chapter does not in itself contradict a Marxist reading, as I see it. My argument is that American nationalism, whatever kind of a product of US history it is, shapes the way Americans view themselves and others, and that reviewing in relation to for instance the occupation of Germany, therefore gives valuable insights into the thought patterns of Americans at the time. To summarise, while I agree with Lipsets view that morality plays an important part in American nationalism, I do not necessarily agree that Americans are correct in mixing morality with nationalism.

3.f American anticommunism

When Germans failed to show themselves as unruly, unrepentant Nazi sympathisers, in other words as the evil caricatures of the war, the moral justification for punishing them lost its force. At the same time the Soviet Union actively resisted cooperation with the United States and sought to expand its influence. The American public was already used to anticommunist rhetoric. There had been a major “red scare” in the United States after the Bolshevik revolution and the end of the First World War. And the House Un-American Activities Committee, made (in)famous by Joseph McCarthy’s chairmanship over a decade later, was actually started in May 1938. As soon as the war started, however, it moved from chasing communists and socialists and started going after fascist groups. As the relationship with the Soviet Union fell apart after the war, the Committee went back to its old (communist-chasing) ways with renewed gusto. (Heale 1990:60-78, 119)

It is easy to dismiss this kind of rhetoric as propaganda for the masses, designed to give support to foreign involvements among a generally isolationist people. What is fascinating though is how the moralistic painting of a fight against “evil” (in these two cases totalitarian) forces, is not only used as a propaganda tool, but also seems to mirror the public statements and behaviour of MG officials and the Truman Administration. It is also evident in internal communications. To a certain degree, the administrative apparatus believed that they were fighting “the good fight”. Lipset sees this thinking as an integral part of “being American.”

The United States is unique in that it started from a revolutionary event and defined its *raison d’être* ideologically. Other countries’ sense of themselves is derived from a common history, not an ideology. [...] Winston Churchill once gave vivid evidence of the difference between a nation rooted in history and one defined by ideology in objecting to a proposal in 1940 to outlaw the Communist Party, when it was anti-war. [...] Churchill said that as far as he knew the Communist Party was composed of Englishmen and he did not fear an Englishman. In Europe nationality is related to community, one cannot become un-English, or un-Swedish. Being American, however, is an ideological commitment. It is not a matter of birth. Those who reject American values are un-American. (Lipset, 1991:6)

One way of looking at the American occupation in Germany could in this context be to see it as an ideological crusade. When the Germans were shown to not be virulently

anti-American Nazis, there was bound to be a reaction against America's difficult and expansionistic Allies the Russians.

My intention with this chapter is to first of all explain the importance of JCS 1067 and the ideas behind it for the first years of the occupation. Secondly, I try to draw a connection between the punitive phase of the occupation of Germany and the restorative phase, by pointing out that both periods had a strong element of American moralism to them.

4. Local Military Government

This chapter focuses on how the American occupation was preoccupied with destroying Nazism and punishing Germans in the first few years of the occupation, and then the gradual turn towards anti-communism, as the American policies of punishment met with little resistance and little progress among Germans.

At the end of the War the United States had 61 divisions consisting 1.6 million men in Germany, one soldier for every ten civilian in the American zone of occupation. The number of soldiers fell rapidly though, especially after the end of hostilities in Japan. Originally American planners had a goal of keeping a total of around 400.000 soldiers in the American zone to maintain security.

To deal with the German population, the US Army deployed a Constabulary force, planned to consist of 38.000 men, (calculated to be one per 450 German in the American zone.) which would work closely with the German population. It was instituted in January 1946. Meanwhile American troop levels kept dropping far below previous targets, and the Army was under strong pressure from G.I.'s and the American public and opposition to bring them home. At the end of 1946, 200.000 troops remained, including the Constabulary corps, peaking around 30.000 men. (Ziemke, 1975: 335, 339-341)

The disgruntled remaining troops, mostly confined to American military camps, was frequently more of a challenge for the Military Government (MG) than was maintaining security among the relatively passive German society.

The MG was also hampered by the constant rotation of troops and Civilian Affairs officers. The constant changes of personnel, along with the wide leeway MG local officers had in policy matters, often created a sense of confusion both in the Occupation Apparatus and among their German subordinates.

US troops were supposed to instil the German population with a sense of the superiority of the American society and system. But they had only limited influence on the German population. Although using troops as cultural ambassadors could probably be considered a quixotic task at the best of times, in Germany the US Army was further hampered by a mix of issues: Constant shift of personnel, rapid drop in the number of troops, as well as American non-fraternisation rules and other policies designed to “instil a sense of defeat” among Germans. In this chapter I will try to shed some light on the consequences of these differing trends and policies, and try to

sketch out how this influenced American power to change German attitudes and social structure.

4.a Conquerors

The American planning of the post-war occupation had assumed that the Germans would be Nazi-infested and hostile to the American occupation, and that a functioning German bureaucracy could be taken over and used by the MG. Both assumptions proved to be wrong. The Germans were docile and peaceful, while the civil administration had to be rebuilt, almost from scratch. (Although all the allies relied heavily on bureaucrats and local party people from the Weimar era.)

The docility of the German population in general only led to a very gradual loosening of the grip on them by the Military Government. And this loosening must be seen in the context of the geopolitical situation, with the growing divide between the Soviet Union and the West.

And incidents like the one in Aachen, where an MG investigation found the American-appointed German city administration “infested” with Nazis and conservative business and church-interests, made the Americans suspicious and wary of the civilians ready to help them administer the areas under occupation. It was not only the question of clearing out Nazis that created a headache for the Military Government, as one high ranking member of the SHAEF noted about the Aachen controversy:

The clarification of de-Nazification instructions does not solve the problem. ...We are going to be criticized for the way the political situation develops [in Germany] even when the question of Naziism is not involved... If we allow right-wing figures to dominate a civil administration we will be criticized by the left wing and vice versa. (Schwabe, 2000)

The American response was to treat the German civilian administration with suspicion and reserve. The result, according to Edward N. Peterson in *Retreat to Victory* (1978), was that the local military government withdrew from the German civilian administration apparatus, and only intervened to do (somewhat random) firings of Nazis and hiring of non-Nazis, and to give orders to German bureaucrats.

The OMGUS leadership was active in regulating the contact American soldiers and administrators had with Germans in general. The goal was, on one hand, to keep discipline and order in the ranks of the Occupying Army, and on the other, to

instil a sense of defeat into the German populace. What the regulations seems to primarily have done was to minimize legalised contact between troops and the German population. They seem to have done little to curb the thriving black market growing up between enterprising American soldiers and German civilians however.

In an effort to curb “fraternisation” and undoubtedly also to try to instil the troops with a sense of “the importance” of garrison duty in the Southern part of Germany, the MG leadership instructed their troops about the dangers facing them in their mission.

According to *Stars and Stripes* correspondents Andy Rooney and Brad Hutton in their book *Conquerors Peace* (Hutton and Rooney 1947:88), General McNarney (leader of the Military Occupation after Eisenhower’s departure) ordered “hate training” to be given to all newly arrived troops under his command. In an interesting mix of the vicious and the banal, American soldiers were told:

“You are a soldier fighting a war. The shooting is over, but there is a lot to be done. Sudden raids have been developed as the best way to make sure, that the Germans aren’t concealing weapons, Nazi literature or Army property. [...] Towns look clean and bright, however, look out, the people are still a formidable enemy. [...] The ragged German trudging along the street with a load of firewood may not look vicious, but he has a lot in common with a trapped rat.” (Quoted in Hutton and Rooney 1947:88)

Clearly this kind of “sensitivity training” was not designed to win the “hearts and minds” of the Germans. The American military tended to see the occupation primarily as a security operation, where the objective was to control the German population. This top down relationship made it easy for elements of the Occupation forces to exploit the Germans. At the same time public and official pressure made it very difficult to cooperate with friendly minded Germans.

The problem on the local level, with non-fraternisation-laws and indoctrination of occupation troops about the dangers posed by the German population, was a growing disconnect between the occupiers and the occupied. By not actively communicating with the Germans, most American troops had no other opinions about the German people than the one that their superiors and their training gave them. And confined to their barracks, morale among the troops soon started to falter.

In the winter of 1945 to 1946, thousands of troops demonstrated outside Army Headquarters all over the American zone, The unrest culminated in January 1946 with a demonstration outside of OMGUS Military Governor, General McNarney's Headquarter, with 3.000 G.I.s, chanting "I want to go home!" The army brass, in a telling anecdote on the changing political climate, blamed Communist agitation for the demonstrations. ()

The growing unrest did not go unnoticed in the American press. The *New York Times*, reporting on the incident, described the Army of Occupation as "...an aggregation of homesick Americans, who shirk their jobs in order to find time and ways to make illegally money, counting up points for their departure from Germany." (New York Times, December 16 1945 as quoted in Gulgowski 1983:249-50)

4.b Black marketeering

Initially the black market was the only area of major contact between the American army and the Germans. Because most goods were rationed, and the Allies had banned the exchange of the Old Reichsmark into other currencies, the principal way for Germans to acquire goods was the Black Market. And on the market there was only two valid currencies, the Allied Military Mark (The only official way of monetary exchange between Americans and Germans), and American cigarettes, which was wildly popular as a payment method up until the currency reform of 1948.

The American Military's logistical operations oversupplied the American Troops, and sold at low cost cigarettes, candy, coffee and other minor luxury products, and paid even the lowliest GI 75 dollars a month, a fortune in the shattered German economy. All these supplies could be exchanged on the black market, along with Gasoline from military transports and other military products, in exchange for German high tech or luxury products (Leica Cameras, Bausch and Lomb binoculars, Dresden China, porcelain artwork, crystal, paintings, antiques, etc, etc.) (Davis, 1967: 148-9)

The line between racketeering and outright looting seems to have been frequently broken. Especially cars, precious watches and cameras were popular targets for long-fingered American soldiers.

Only in the most blatant of cases were the Army forced to intervene, as in the theft of 3 million dollars worth of jewels and heirlooms belonging to the Grand Ducal

house of Hesse. The valuables were stolen from Kronberg Castle, which had been requisitioned to serve as an Army Officers Club, by a Colonel, a Major and a Women's Corps Captain. In Bremen, the complete traditional silver service of the city, valued before the war at 10.000 Gold Marks, was stolen by the Military Government Commander of the City and his executive officer. In both cases the guilty were sentenced in a military court, but this was the exception more than the rule. Most thefts went unreported and unpunished.

Konrad Adenauer, the future leader of the CDU and the Federal Republic, was dismayed at the behaviour of the American troops on their arrival:

“Die amerikanischen Truppen haben sich seit ihrer Ankunft durch Plündern, Diebstähle [stealing] und durch ihr arrogantes, menschenunwürdiges Auftreten derart unbeliebt gemacht, daß ihre Haltung, wenn sie sich nicht ändern sollte, die Züchtung [the breeding of] eines neuen Nationalsozialismus, wenn nicht Bolschewismus, zur Folge haben werden...” (Schwarz 1986:439)

Adenauer's views on their administrative abilities were not much better, and he had scathing criticisms for the Americans during the first months of the Occupation. (Adenauer's home state of Rhineland would later fall under the British zone of control.) “*Die Amerikaner haben nicht die geringste Ahnung von der deutschen Mentalität und sind in Verwaltungsdingen die reinsten Kinder. Nicht nur in Köln, sondern überall herrscht ein Durcheinander [chaos], das einfach nicht zu beschreiben ist...*” (Schwarz 1986:443)

There were however at least “a few good men”. Adenauer had good relations with several American officers, including MG Governor Colonel Patterson, and noted dryly that the personal qualities of these men far outweighed the bureaucracy of which they were part. (Schwarz 1986:443-444) Among American officers there were also dismayed at the rampant looting and racketeering of the Occupation troops:

Each time I had come away with a sense of sheer horror at the spectacle of this horde of my compatriots and their dependents, camping in luxury amid the ruins of a shattered national community, ignorant of the past, oblivious to the abundant evidences of present tragedy all around them, inhabiting the same sequestered villas, that the Gestapo and SS had just abandoned, and enjoying the same privileges, flaunting their silly supermarket luxuries in the face of veritable ocean of deprivation, hunger and wretchedness, setting an example of empty materialism and cultural poverty, before a people desperately in need of spiritual and intellectual guidance, taking for granted – as thought it were their

natural due – a disparity of privilege and comfort between themselves and their German neighbours, no smaller than those that had once divided lord and peasant in that feudal Germany which it had been our declared purpose in two world wars to destroy. (Kennan, 1967:452, as quoted in Gulgowski 1983: 243-244)

4.c Peaceful and detached

These horror stories are, however, only part of the picture. For the most part, the American occupation was peaceful and tranquil, with few breaks in the routine of barracks life and administrative duties. According to one widely quoted account of the occupation, it seems to have been so peaceful and uneventful that historians have had some problems documenting what actually happened (Peterson 1978:7-9), both because of the lack of written documentation from the local Military Commands, and lack of recollection in interviews with ex-military and German civilians decades later.

The mountain of documents from the Occupation, stored at the Washington National Record Center and at the National Archives in the United States;

... evidenced the conflicts at the top, but gave disturbingly few insights into local policy implementation. The fragmentary reports of local units were composed of bland (usually statistical) reports of progress made, occasional bitter accounts of German resistance to the occupation, and even more occasionally a candid inspection report stating that the local units were not implementing policy for reasons of sloth or confusion.” (Peterson 1978:8)

In *Retreat from Victory* (1978) Edward N. Peterson did case studies of three local German communities under American Military rule, and tried to get hold of military officers that had served in these areas. The few he could track down were according to him all very critical of local policy implementation and of their superior officers. Some saw *themselves* as incompetent at the tasks.

But it was a greater shock to discover that the [recollection of Germans in these areas] was much less filled with details about the military government than it had been about Hitler’s less recent government. The closer to the people I came, the less evidence of an American military government I found. There were individual memories, sometimes very fond, of individual Americans, but those Germans I interviewed at length remembered very little of substance that military government had done: a bicycle burned for trespassing on an off limits street, a house requisitioned, coffee and cigarettes acquired. The hunger of those years [... and] in a vaguely grateful way, the Marshal Plan. Clay’s resistance to the Russians, formally begun with the 1948 Berlin blockade, was more clearly recalled, but very little else. (Peterson 1978:8-9)

4.d Opinion polls

These anecdotes support the picture found in opinion polls conducted by OMGUS during the occupation. A survey done in Mannheim in September 1946 revealed that only 28 percent of the city's inhabitants had been in communication with white American G.I.s or officers, and 16 percent with blacks. (OMGUS surveys during the occupation routinely separated questions according to skin colour.) In the whole of the American zone, only one in five of Germans had had the opportunity to talk to American soldiers.

The questionnaires paint the picture of a German population that seemed to have a moderately positive attitude towards the American troops. In November 1947 around 30 percent of those polled felt that the Americans enriched themselves through barter. 36 percent had heard of US Army troops wasting or destroying food, 21 percent had heard of cases where the troops had destroyed German properties, and 13 percent had had unpleasant experiences with American troops. Somewhat surprisingly, among the people that claimed to know Americans, the complaints against the troops were in general 13 percent higher than among the ones that did not know any troops in person. (Merritt and Merritt 1970:8-12) While the OMGUS did not specifically ask why this was so, it seems there can only be a limited amount of explanations for this difference. Either the Germans that knew American soldiers were in some way predisposed to dislike the Americans more than the average German in the American zone, or the American behaviour led to reactions from some the Germans they were in contact with.

Another caveat is the extent to which those responding were answering in accordance with what they thought the pollster wanted. Since these surveys were done by members of the Military Government, even the OSS (Opinion Survey Section), the OMGUS agency responsible for surveying, operated with a generous "sponsorship difference" on top of the margin of error. The leader of the OSS at the time, Leo P. Crespi, put it at about 10 percent. That is to say that the OSS itself thought the results of the surveys were on average around 10 percent more positive than the real opinions of the populace, excluding the margin of error. (Crespi 1950:168-169)

In other words, the German population only had infrequent meetings with the American occupation force, and their opinion of them was ambivalent. If we add these numbers up, we find that among the ones that had contact with American troops,

around half felt that the American troops were enriching themselves on the black market and wasting food, while a bit under one third had had unpleasant experiences with American troops. Four fifths of the Germans in the American zone had no contact with American troops, however, something that, with opinion poll numbers being the way they were, might have worked to the benefit of the American MG.

The interaction between the occupiers and the occupied, and the ability to influence Germans on the local level were limited, as I have shown in this chapter. And US forces were, due to several factors, hardly in a perfect position to “win the hearts and minds” of the occupied, as modern parlance goes. Although since US troops often made a rather bad impression on the Germans they interacted with, maybe the strict non-fraternisation rules the MG enforced had a positive influence after all, in lowering the amount of friction between occupier and occupied.

5. Democratisation

During the war, and in the immediate aftermath, there were strong doubts among the American populace, press and policymakers if Germany could ever be a truly democratic nation. Others saw it as a daunting task that would require a massive American effort at teaching and coercing “backwards and authoritarian” Germans into accepting democratic institutions.

JCS 1067 called for the allies to “[prepare] for an eventual reconstruction of German political life on a democratic basis.” Not exactly a sterling cry for immediate action on democratising Germany, but fairly optimistic by the prevailing notions in the United States about Germany at the time. And for the first months of the occupation, democratisation was put on hold as the MG concentrated on restoring public order and reviving municipal administration. Indeed, democratisation only started in the autumn of 1945 because of Soviet pressure.

The result, as several scholars have pointed out, was that real grassroots movements of change, like the *Antifa*-movement, were suppressed, while the old political elite from the Weimar republic days were able to get into position and organise in the political vacuum created by the blanket ban on political activity. (Boehling 1993:281-283; Berger 1991:26-29)

This chapter is a relatively simplistic look at the struggle of different power groupings within German society, pointing towards how the old moderate Weimar parties were more or less destined to take centre stage, due to Allied policies and the limits of German grassroots movements.

5.a The suppression of *Antifa*

The blanket ban on political organisations after the end of the war, imposed in all allied areas of occupation, was supposed to make it more difficult for Nazi sympathisers to regroup. But there is no evidence of any serious attempt at Nazi regrouping. In the end, the major victim of the blanket ban was the burgeoning *Antifa*- (Anti-fascist) movement. The suppression of the *Antifas* is seen by the so-called revisionist school as the main reason for the re-emergence of the Old Guard in German politics after the war, and the death of the hope for a genuine grassroots-based democracy.

Local *Antifa*-groups appeared in most major German cities in the days before and after the end of hostilities. These groups were loosely built around the Communist and to a lesser degree the social-democrat underground movement during the Nazi era, so were able to prepare for the eventual end of hostilities. The groups did not, however, see themselves as primarily communist or even socialist, and tried to recruit members from all anti-fascist political groupings in Germany, although the majority of the members were clearly on the left side of the political spectrum.

Committed to a total purge of the Nazi apparatus and its replacement with a democratic order, *Antifa* gathered information on local Nazis, and their crimes, which they handed over to the MG. They were training a new “elite” to take the place of the old Weimar and Nazi governing apparatus, and engaging in more practical tasks. These included gathering firewood, clearing rubble, and reallocating housing to take care of the influx of refugees and homeless, based on the house owners association with the former Nazi apparatus. They also tried to apply political pressure to get into local government positions. (Boehling 1993:282-286)

Political activity was banned across all Occupation zones in the months after the end of the war, and there is no doubt that the *Antifa* movement was engaged in political activity. On the other hand, *Antifa* was, at least on the surface, trying to accomplish the same as the American MG was tasked with doing: the purging and punishment of members of the Nazi party, and thorough societal and political change in Germany, with the goal of creating a democracy “for the people, by the people.”

At the onset of the Occupation, American MG officers seemed to have a largely positive attitude to the Communist resistance who were the main driving force behind the *Antifa* movement. The communists were seen as the German political group that fought longest and most stubbornly against the Nazi dictatorship. (Boehling 1993:300-301)

This respect did not stop the MG from clamping down on the Communist- and Socialist-dominated *Antifa*-movement. Some of the more extreme revisionists, especially among the *Neue Links*-movement in West Germany in the late sixties and seventies has seen the suppression of the *Antifa* movement as a deliberate policy to suppress the German left and lay the groundwork for an American-style Market Liberal, “sham democratic” society. (Schmidt and Fichter 1971) As I see it, there is little evidence of such an overall strategy in the rather chaotic and fluctuating policies of the MG.

There seems to have been a general distrust in the MG apparatus of all overt signs of political organising by the Germans. But this was limited by what the MG considered to be part of the political sphere. With the American view on the separation of the political sphere, business and religion, the MG allowed Chambers of Commerce, business associations and the religious hierarchies to act freely in their zone, and also used these power structures (which had been highly political in German society, especially during the Weimar era) for advice and administrative positions. Coupled with the American military bureaucracy's general hostility to initiatives that threatened their chain of command, the decision to suppress the *Antifa* movement is more understandable.

The *Antifa* movement's obvious parallels to the Communist workers councils of the aborted revolution of 1918, as well as the Soviet Revolution itself, seem not to have been the MG's main concern. As earlier mentioned, the MG officers trained during the war generally had a positive attitude to the German communists in the immediate post-war era, and the historical parallels were probably not as clear to the Americans as it was to their German subjects. To both the *Antifa* organisers and the old business and church elite, the connection must have been abundantly clear; this might be one of the reasons why the business and church elites generally fought the *Antifa* movement tooth and nail.

The Roman-Catholic Vicar-General of Stuttgart and his MG liaison called the local *Antifa* organisation "Camouflaged bodies for the propagation of Communism," and claimed that many Nazis were joining them, with a delightful penchant for hyperbole. The Roman Catholic leadership of Wurttemberg was another church group determined in their opposition to the *Antifa Kampfkomitee[s]*, according to a U.S. Field Intelligence Study from July 1945. (Boehling 1993: 300-301)

Despite the suppression efforts, the *Antifa* movement survived until the blanket ban on political activity was lifted, when it was eclipsed by the old Weimar political elites, elevated to positions of power by the MG. The determined resistance by Kurt Schumacher, the leader of the new Social Democrat Party to any cooperation with the Communists, would end up being the final nail in the coffin of the *Antifa* movement, since its main strength was derived from the union of local Social-democrats and communists. (Edinger 1965:72-189)

5.b Church and business

Although the American MG might have had somewhat of a blind spot for the political potential and ambitions of church and business interests, their ability to entrench themselves in the new MG-approved administration was also to a certain degree curtailed. But in contrast to the blanket ban on the *Antifa* movement, the church and business interests' powers were regulated primarily by the views of the local MG commanders, their superiors and pressure from the American press and public.

The first big scandal of the occupation was a result of what was considered to be improper ties between American MG officers and the local church and business elites in Aachen. The city was the first major German city to be under American military government. Captured in October 1944, it was almost empty when the Americans arrived. But around 6000 out of a population of about 175.000 was still in the city. Intent on setting up civil government as soon as possible, the Americans, with the help of the Bishop of Aachen, searched for a suitable Mayor among the business-community, and settled on the 42 year old Franz Oppenhoff.

The relationship between the occupiers and the German administration and population of the city was good for almost half a year, but then started to deteriorate. The Americans were given stronger and stronger anti-fraternisation rules. There were no more handshakes between American soldiers and German officials, and the Americans started to fire former members of the Nazi party in the City administration. (Schwabe 2000)

This was connected to the struggle over German policy in Washington. The old Army handbook, leaked by Colonel Bernstein was being modified to emphasise that the troops were not liberators in Germany, but conquerors. And JCS 1067 was slowly coming into being under pressure from the Treasury Department. The press were also critical of the chummy relationship between the victors and the defeated Germans. "*The Stars and Stripes came out with an editorial that sharply criticized the friendly attitude some American soldiers displayed to people in occupied Germany.*" *"Don't get chummy with Jerry "*, it advised these overly gullible American G.I.'s. " (Schwabe 2000)

The American troops were handed black lists, listing members of the Nazi party that were to be fired or interned, and white lists, listing anti-Nazi Germans who should be given leading roles, for use in reinstating Civil Government in the

occupied areas. These lists were compiled by the Intelligence Services, but were not ready when the Americans entered Aachen.

Scandal hit when members of the Psychological Warfare Division came to study the situation in Aachen, the way the city was run, and the attitudes of the Germans. Led by a civilian historian named Saul Padover, they discovered that while the great majority of the Aachen population trended strongly to the left in political views, the city administration included hardly any representatives of trade unions, communists or social democrats. Padover included this in a report to his superiors, which was subsequently leaked to the press.

Padover reported to his superiors that the Aachen city administration consisted of technicians, lawyers, engineers, businessmen, manufacturers, and churchmen. "This elite", he continued, "is shrewd, strongwilled, and aggressive..Its leader is Oberbürgermeister Oppenhoff...behind Oppenhoff is the bishop of Aachen, a powerful figure with a subtlety of his own... All of these men managed to stay out of the Nazi party, most of them were directly connected with the town's leading war industries, [Veltrup and Talbot].These men are not democratically minded... They are planning the future in terms of an authoritarian highly bureaucratic state...Politically it is conceived as small-state Clericalism...". To make matters worse this clerical-semi fascist clique had displayed a telling leniency in accepting ex-Nazis for jobs in the city administration. Was this to be a model for Germany as a whole ? Were not the Germans in the first German city conquered by American troops totally deprived of the chances of the democratic revival that Roosevelt and Churchill had promised them? (Schwabe, 2000)

The result of this scandal was mass firings in the Aachen city government. Oppenhoff however, was killed by Nazi *Werwolf* commandos before the Americans got round to sacking him. (Schwabe, 2000)

Another result of this debacle was an increased suspicion of not only conservative church and business interests, but of the German political and administrative elite in general. Although MG tried to avoid filling administrative positions with people of the old business elite, this does not mean that they were marginalised like the grass root movements on the left. Business elites were involved in the administrative apparatus through local Chambers of commerce, which were tasked with keeping the economic wheels rolling. They also had extensive contacts not only with party elites on the moderate right and left, but also among the leaders of the labour unions. These were people they knew and had worked with before the Nazi period.

Konrad Adenauer's return as Mayor of Cologne is one of the most well known examples of the re-emergence of the old elites in West German politics. Not only did he rely heavily on his old friends from the Centre party, but also on his contacts within the Cologne business-community, catholic organisations and labour unions, and some old members of the Social Democrats. Adenauer defended the restoration of the Weimar political elite in a letter to a friend by pointing out that there were few alternatives: "*There are very few capable people. The two wars have torn great gaps, and the young talent is not there owing to the disastrous influence of the NSDAP.*" (Schwarz 1986:437)

He was probably correct in this. The Nazi bureaucracy had collapsed with the end of hostilities. The allies needed men with the institutional know-how and clean hands to rebuild (initially local) German administration along acceptable lines.

5.c Weimar parties return

The "white lists" compiled by Army intelligence units for the local MG contingents tried to include a mix of communists, social-democrats and right-of-centre opponents of the Nazi party. Because these lists were built on what Military Intelligence could stitch together from Weimar politics and Nazi archives, they were drawn heavily from the party elites of the Weimar era, especially the Social Democrats, the Centre and Democratic parties.

The MG needed experienced administrators to rebuild the devastated German civil administration. The German administrative apparatus suffered a complete collapse with the end of hostilities. Since using the old Nazi party bureaucracy was politically impossible, prominent Weimar politicians sidetracked or repressed during the Nazi era were the most obvious choices. In practice this meant giving power back to the old party structures of the Weimar era.

When political activity in the American zone was reluctantly allowed, on the local level, in August 1945, old party hands from the Weimar era centre and left parties were already in control of most municipal positions of power. After pressure from the social-democrats and communists, the MG instituted advisory councils at about the same time. With the goal of including all political stripes in the decision making process, the advisory councils suffered under the flaw that they were chosen by the mayor himself, and only had advisory power. Instead of including the left wing, who had often been sidestepped for more "safe" centre or rightwing candidates,

these councils were often used to further reduce the power of the left, and especially the communists. (Boehler 1993:296)

The mayors usually chose members of the local political elite that they had worked with before the Nazi era. With the end of the ban on political activity, the old Weimar party structures were therefore the only major political force to be in positions of power.

Not only did this lead to a de facto restoration of the political landscape of the Weimar republic. Because of the way the coalescence of power happened, the parties were shaped very much from the top down. This coalescence started already during the ban on political activity, and gained speed after the end of the ban. The first ones to form were the parties that had been most active in their resistance during the Nazi era, the Communist Party (KPD) and the Social Democratic Party (SPD). The Christian Democrats (CDU/CSU) and the Liberals (FPD) were later to form, because of their dormancy before and during the war, and the time spent swallowing up splinter parties.

Other parties were allowed to form, but faced formidable obstacles to gain a strong position in the emerging political system. With no mayoral positions or advisory council seats, and with a heavily regulated press licensed out by the MG to the established parties, new parties had few ways of making their voice heard before the first elections in the spring of 1946.

And even if they did manage to get the attention of the voters, they were also faced with percentage clauses of up to 15 percent of the vote, to get council seats. Parties needed a license from the MG to run for elections, but MG political officers often actively discouraged small parties from registering. “Splinter group” parties were asked to find common ground with one of the big four parties instead, by MG officers wary of recreating the political chaos of the Weimar era. (Boehler 1993:297-299)

The re-emergence of the Weimar political elite, and the lack of new blood in the re-democratisation of Germany has been hotly debated especially in German historiography. Very basically the traditionalists have seen the gradual restoration of Democracy as a “job well done” by the Western Allies, while the revisionists within the Neue Links movement, especially prominent in the end of the 60’s, have pointed out the obvious ties to the old political system, and the effect of the squelching of Grass Roots initiatives like the *Antifa* movement.

One can question whether, as the German New Left believed, the *Antifa* movement would have been able to create a bottom-up grass roots democracy, and a clean break with the Nazi past. But the fact that a movement that corresponded with what was supposed to be two of the main goals of the occupation, grass-roots democracy and thorough de-Nazification, seems to indicate that these goals were not the most important ones for the MG at the start of the occupation. This is in itself not that surprising. As we have seen in the main policy paper of the early occupation, JCS 1067, the American MG stressed that the Army was there as Conquerors, to impose order and eradicate Nazism on the terms of the Victors.

In practice this massive program of reorientation was in itself never really put into practice, because the MG had to turn most of their resources in the first few years of the occupation into feeding a starving mass of West Germans, and handling millions of internal and external German refugees, military prisoners and former Nazi party members.

In Germany, as well as in Japan, the US chose to use existing power structures and old political and administrative elites as the basis for establishing a new regime. The lesson from other interventions, where such options were either not available or were not used, seems to point to this being the only prudent course of action.

5.d Soviet pressure

The Soviet authorities pretty much forced the other Allied powers' hands, when they unilaterally ended the ban on political activity in the Soviet Occupation zone on the 10th of June 1945, a month before the Potsdam conference. In what was no doubt a coordinated move, the Communist party (KPD) was the first to form a day later, with a declaration calling for an all-German democratisation. The Social Democratic Party (SPD), the Christian Democratic Union (CDU) and the Liberal Party (LDP, later FDP) quickly followed. (Berger 1991:29-30)

A more thorough look at how this changed the strategic landscape during the Potsdam Conference (July 17 to August 2 1945) and after will be done later in this thesis. But with active political parties in the Soviet zone, including a communist party calling for a united democratic Germany, the Western Allies, and especially American hands, were in many ways tied. The British already wanted a united, democratic Germany. The Americans, faced with being the sole opposition against German geographical and democratic restoration, and with dwindling support for a

harsh peace within the Administration, joined in the call for a future reunification of Germany, and for the creation of political parties.

Political activity was officially allowed again in the American zone from August 13 1945, but only at the local level. This was a development that seems to have come as a surprise to OMGUS officials, including Clay himself. In his August 18 briefing to Washington on “Conditions in Germany” Clay mentions only that OMGUS has heard of the legalisation of parties in the Soviet zone. First in his next briefing September 3, is there a mention of democratisation and the rushed schedule to make local elections possible. (Smith 1974:59-60, 67-68) On November 23 parties were allowed on the State level, and party organisations on the zonal level were given the go-ahead only in February 1946,. The British waited until September 15 1945 before allowing political activity, but then allowed it for the entire zone, something that might explain why the leaders of both major West German parties, Schumacher of the SPD and Adenauer of CDU grew into power in the British zone. The French, incensed at being excluded from the Potsdam conference, and in disagreement with several key portions of the Potsdam Declaration, waited until December 1945 before allowing political activity, and then only on the local level. (Berger 1991:30-32; Gimbel 1968:17-18)

To mirror the criticism of the suppression of the *Antifa* movement, one could also claim that the early resumption of political activity in the Soviet zone forced the Americans to abandon any plans of thoroughly building up a genuine grassroots based democracy based on American ideals, and instead opt for the “easy way out” by handing over the reins of political power to resurrected Weimar party entities.

There were some attempts by the American MG to encourage “grass roots discussions” on democratisation, as part of the American re-education programme. However, these attempts were generally built around American political traditions and ideas, and failed to garner any support in the alien political climate of Post-War Germany. One example was the institution of *Burgerversammlung* (town hall meetings) where political leaders were supposed to interact with the populace. These gatherings met with determined resistance from the municipal administrations, and only lukewarm interest from the general public, and were eventually abandoned. (Prowe 1993:320-321)

American initiatives stressed informal links between the people in power and the governed. German initiatives at involving the grass roots in policy making tended

to create more formal links. An example was the Citizen Councils on the *Länder* level, which sprang up in the German zone. These councils were linked to and controlled by the administrative apparatus, but went virtually unnoticed by the American occupiers. (Prowe 1993:321)

Another formal link to the grassroots wanted by the Germans, business-labour chambers of industry to organise the economy on the local level, was, however, met with determined opposition by the Americans, who tended to look at corporatism with the greatest unease and suspicion. I will return to the discussion of American hostility to Corporatist initiatives in the chapter on the Economic reconstruction of Germany.

5.e End of democratic “reorientation”

Despite US efforts, a thorough Democratisation along American lines, failed in Germany. The most important US contribution to what would be the political system of the Federal Republic might be said to have been deciding who was and who wasn't given administrative positions at the end of hostilities, and subsequently, the speed at which they handed over the reins of power to the emerging German political class.

Clay mirrored this view in his answer to his CAD (Civil Affairs Division) chief Edward H. Lichfeld's complaints that CAD felt German democratisation was lagging because of their reliance on formal organisations and parties:

Somehow we have to find out what is the true essence of democracy rather than what is the true essence of what Americans would like. We have a tendency to criticize everything in Germany that doesn't follow the American pattern. Yet I think the [sic] most of us will agree that France, over a great many years, has basically been as democratic and probably a more democratic country than we have... I think that your own people in studying this thing have got to distinguish between reforms that we would like to have because we say we do them at home or the Continental practice... (OMGUS Staff Conference, March 27, 1948, as quoted in Peterson 1978)

What emerged had much more in common with the old Weimar republic than it did the American system of Government, even though many historians have found American influence in the relatively decentralised nature of the Federal Republic as opposed to earlier German states.

One could even argue that American efforts actually held back restoration of democracy in the American zone, effectively turning the American zone, as well as

the smaller French zone, into a political backwater, subordinates to the growing power of the national parties in the British and Soviet zone of occupation.

One reason for this might be, as mentioned earlier, that the American occupiers were forced to respond to the opening of political life in the other zones of occupation. One can however also argue that military government as instituted by the Americans was structurally ill-prepared and ill-equipped to institute broad-based change, because of their limited “footprint” among the Germans, and limited experience with occupation, understanding of Germany and limited information gathering and dissemination capacity. I will return to the issue of institutional strength of the occupiers in chapter 9.

6. Denazification

The denazification of Germany was maybe the biggest single policy initiative instituted by the American Military Government during the occupation. It was also among the prime objectives. To make sure that Germany never again would be a threat to their neighbours and to world peace, the Allies had agreed on a program of demilitarisation and denazification.

The denazification programme, outlined in JCS 1067, aimed at clearing “*from public office and from positions of importance in quasi-public and private enterprises ... active supporters of Nazism or militarism and all other persons hostile to Allied purposes.*” (FRUS 1945 III:488)

Instead it would turn into what Steininger (1988:123-134) would term a “*Revolution auf dem Papier.*” Impressive in scope and aims, and with massive efforts on both the American and German side, it would not lead to the kind of societal change the US planners had hoped. As Steininger put it, “*In den westlichen Zonen, insbesondere in der amerikanischen, degenerierte die Entnazifizierung zu einem undifferenzierten Prozeß personaler Säuberung [firings], dem sich jeder Deutsche unterziehen sollte [had to undergo].*” (Steininger 1988:128) Attempts to reeducate the Germans on top of this process failed, and then the advent of the Cold War turned the American focus from fighting the ghosts of Nazism to attacking the Red Menace.

6.a Demilitarisation

The demilitarisation part, on the other hand, can probably by any objective norm be considered a success. The German Wehrmacht was completely disarmed and dismantled. All weapons were removed from German hands, including police weapons, and in some reported cases, antique hunting guns and swords from the Franco-Prussian war. Any overt sign of militarism was banned, including marching, use of uniforms, military songs or national anthems, military toys, veterans’ organisations or benefits, and the glorifying of war in the arts. (Peterson 1978:138)

For a nation devastated by war these regulations seems to have been pretty easy to swallow. So successful was the “demilitarisation” of Germany, that when the Americans were pressuring the *Bundesrepublik* to rearm in the early 1950s, a majority of the population opposed rebuilding the armed forces. As late as 1959 an Augsburg veteran was quoted laconically asking “... *and where are the Americans who*

promised us in 1945 that none [of] us would ever soldier again?" (Peterson 1978:139) The denazification program would prove to be a lot more difficult and frustrating to the American MG.

6.b Dismantling the Nazi apparatus

JCS 1067, which instructed the American Military Commander on demilitarisation, also had clear directives on how to dismantle the Nazi power structure. All leading members of Nazi organisations were to be detained. This included judges of the special courts, police officers over the rank of lieutenant, military high command, members of the Nazi bureaucracy with the rank of *Burgermeister* or higher, and identified Nazi sympathisers in positions of power in businesses and other organisations. The German Courts were to be closed down, as were the School system and the Press, to be rebuilt only after a purge of Nazi influence, and under Allied supervision. (FRUS 1945 III:383-385)

The denazification programme was already ambitious in scope at the end of hostilities. But the increased emphasis on denazification after the zonal administration got up and running, and frantic attempts at closing loopholes in the regulations, meant it was expanding rapidly and was increasingly difficult to administer. While the first directives in December 1944 stipulated that only members of the Nazi party that joined before 1933 was to be automatically removed from positions of power, in July 1945 this had widened to include 136 mandatory categories of Nazi affiliation. In September 1945 the denazification process was extended to include all parts of the German economy except agriculture.

Not only was the programme broad in scope, it was also hastily planned, its different revisions the response to a series of crisis and incidents. One example was the August 15 1945 directive, known as "The Butcher of Augsburg Directive". It was ordered by General Clay after a visit to Augsburg, where he heard that a local butcher gave local Nazis preferential treatment.

Another example was the outcry in the United States when General Patton, Military Governor of Bavaria, was quoted as comparing membership in the Nazi party in Germany to being a member of the Democratic and Republican parties. When additional stories were reported of him "hob-nobbing" with former leading members of the Nazi party and Wehrmacht, he was promptly dismissed and sent back to the States. Shortly thereafter Lucius Clay introduced the controversial *Law No. 8*,

specifying that: *“It shall be unlawful for any business enterprise to employ any member of the Nazi Party or its affiliate organizations in any supervisory or managerial capacity, or otherwise than ordinary labor.”* (Gimbel 1968:102; Horvay 1993:169)

The MG denazification boards were suddenly swamped with work, as the new law, hastily drawn up, listed the national union, which most German workers were forced to join, and even the German Red Cross, as Nazi affiliate organisations, meaning that a large part of the German work force were suddenly illegally employed. At the same time MG officers were threatened with court martials unless they sped up the denazification effort. (Peterson 1978:143)

6.c Problems develop

But even without the problem of the wide inclusion of affiliate organisations, the MG had a formidable effort ahead of it. Roughly one tenth of the adult German population in the American zone had been a member of the Nazi party (Peterson 1978:151). Removing all but manual labourers and farmers from their positions posed serious practical as well as ethical problems.

How could automatic guilt categories based on party (or affiliate organisation) membership deal with the ardent Nazi supporters or war profiteers that had never joined with the Nazi Party or any of its organisations? A formulaic scheme built on “guilt categories” based on positions held in Nazi organisations could hardly be fair in judging those who were members either. Some members of the Nazi Party had been forced to join to keep their jobs, or did so as a way to further their career without ever being active supporters of Nazi policies. On the other hand, other marginal members or even non-members might still have been ardent Nazis after the end of the war. During the occupation, the Opinion Survey Section (OSS) calculated that between 10 and 20 percent of the population still held views close to the Nazi ideology after the war. (Merritt and Meritt 1970:36)

The enforcement of the denazification laws and policies on the local level were often crude and arbitrary. As a general rule it also met determined resistance from the reinstated German local bureaucracy, who resented the disruptiveness and insecurity that followed the often random firings of “Nazi sympathisers” and former Nazi Party members.

There were also few objective ways for the OMGUS Command to know how denazification at the lower levels was proceeding. There were lists of prominent members of the Nazi party and bureaucracy, but the number of low-level Nazi sympathisers in the German administration was more difficult to gauge.

One reason was that the local German administrations had to be reinstated after the war. The number of Nazis that popped up in the new administrations depended on how zealous MG officers or local German appointees had been at filtering out the Nazis while rebuilding local administration.

One problem was that OMGUS under General Clay measured the effectiveness of their officers in charge of denazification based on the number of firings done. The labelling as a Nazi or a sympathiser was more or less up to the discretion of the MG officer in charge, leaving the denazification programme open to abuse, both by overdoing firings, or by ignoring Nazis in administrative positions. In the end OMGUS statistics showed that 28 percent of the population over 18 years had been dismissed from their professional jobs during the denazification. (Peterson 1978:150-151, 272-277)

However, this monolithic denazification effort was mostly aimed at the smaller fish in the Nazi apparatus, as the Americans had already imprisoned 100.000 “leading Nazis” (The Americans were clearly being more thorough here than their allies. The British interned 64.000, the Soviets 67.000 and the French 19.000) (Peterson 1978:145)

6.d Liberation from National Socialism

The MG was under strong pressure from the American public to clear out the vestiges of the Old Nazi system. In an attempt to deal with an ever expanding program spiralling out of control, and with decreased funding and fewer troops to reach the goal, OMGUS was forced to reassess its program towards the end of 1945.

A high-level OMGUS Denazification Policy Board was convened in the HQ in Berlin, and outlined what would be known as the “Law for Liberation from National Socialism and Militarism.” The Board linked the denazification process to the broader objectives of the occupation of Germany, the principal one being to remove Germany as a threat to world peace and to its neighbours. To accomplish this, the Board suggested letting the Germans themselves handle the denazification, under American supervision and rules. This would also conveniently solve many of the

problems the Americans had with finding enough officers and funds to keep the programme going. (Gimbel 1968:103)

The law, going into effect March 5, 1946, stipulated that all Germans over 18 years of age had to fill out questionnaires (*Meldebogen*), and that German-led *Spruchkammern* (tribunals) were to try Nazi members and decide the punishment of minor offenders.

Twelve million questionnaires with over 100 questions were sent out to German adults in the American zone. All had to be answered truthfully and returned, at the threat of imprisonment in the Allied Internment camps for non-compliance. The entire population was sifted for Nazi Party members and sympathisers, who were then placed into four “guilt categories” based on their answers: *Class I, Hauptschuldige; Class II, Belastede; Class III, Minderbelastede; Class IV, Mitläufer*. (Steininger 1988:130-131)

People guilty of having links to the Nazi apparatus numbered in the millions, and as with the OMGUS Special Branch, responsible for denazification before the institution of the new law, the *Spruchkammern* were quickly swamped with cases.

6.e Denazification relaxed

Under pressure from the Americans to show strict adherence to the rules, and because of the rule banning Nazi suspects from most jobs, the early work of the *Spruchkammern* was concentrated on the lower guilt categories. As the scope of the work became apparent, and under pressure from German elites and administrators to be lenient, the courts proved less and less willing to take a hard stance against their suspects. German businessmen and administrators were understandably apprehensive about losing skilled workers, subordinates and friends because of strict denazification rules.

OMGUS estimated that at least 3 million people would have to be tried through the *Spruchkammer* system for the denazification process to be complete. This quickly proved to be virtually impossible with the resources available, leading the German Ministerpresidents of the *Länder* to ask for, and receive, a pardon for all suspected Class III and IVs born after January 1 1919. Later, an amnesty was given to suspected Class III and IV with a yearly income of under 3,600 marks. Even after this, there was still over 900.000 Nazi Party members or sympathisers that needed to be processed. (Peterson 1978:150-151; Steininger 1988:130-131)

An easy and popular solution to the workload and the German pressure to be lenient seems to have been for the to classify as many as they could get away with as either Class IV Nazis, or to exonerate them totally. In November 1946 Clay severely criticised the work of the *Spruchkammern* in a speech to the *Länderrat* (the highest German administrative organ in the American zone) Ministerpresidents, where he told them that he had “personally examined” 575 cases put by the Denazification Law into Class I. Of these 355 were reclassified into Class IV, while 49 were exonerated. (Peterson, 1978:150)

This severe critique made the *Spruchkammern* tighten the classification process for a while, but soon the numbers were back to where they had been before the verbal scolding by the OMGUS chief. It would be the last great push for denazification in the American zone.

Visiting Congress members in the American zone joined in the growing chorus of critics of the denazification process towards the end of 1947. The Case Committee (the Congressional subcommittee on Austria and Germany) called for an end to the denazification programme, except for major offenders, by May 8, 1948. This left 60 days for OMGUS to wrap up the denazification effort. The result was a crash programme to get rid of the backlog of denazification cases.

From being told that successful denazification was necessary before the focus could move to economic recovery, exasperated German denazification officials were told that the denazification effort was now to be wound down, as it was hindering economic recovery. (Gimbel 1968:170-172)

For the German officials this was problematic, as many of the high ranking Nazis were still being processed, and a rapid closing of the denazification effort would presumably lead to many of them escaping justice. Also, they were worried about the whole denazification process losing its legitimacy among the German population if the rapid cancellation of the programme led to high ranking Nazis escaping punishment, while the rank and file had been punished earlier in the “simpler” trials.

In the last week before the supposed shutdown of the denazification programme there were still 28,065 cases dealing with hard-core Nazi party members, according to an OMGUS report. 100,000 cases were waiting for the paper work to be completed, and there were still about 50,000 new cases being received each month, forcing the MG to order a phase-out programme, which barely managed to get

through its case-load in time for the first West German general election in the spring of 1949. (Gimbel 1968:174)

In total 3.660.648 cases were initiated in the Western zones up until February 1950. 1667 were found to belong to Class I, 23.060 to Class II; 150.425 to Class III and 1.005.854 people to Class IV. The rest were amnestied, judged innocent or had their case dismissed for other reasons (Steiniger 1988:131)

6.f Failure of reeducation

The next step was to re-educate the Germans so as to make them “good democratic citizens”. By most criteria this was a failure. Maybe not surprisingly, the US occupation army was not the perfect tool for changing the German “national character”. Also, the Army’s interaction with local Germans, outlined earlier, seems to have been counterproductive. Some ham-fisted attempts were made at education reform and at spreading American culture through youth sports clubs and other cultural activities for younger Germans, as they were deemed to be the ones most malleable to change.

The only programmes that were considered successes was an exchange programme for German students that let them study at American universities, and American information centres, popularly called *Amerika Häuser* by the Germans.

An impressive bureaucracy was built up by the Military Government to deal with reorienting Germans, but it was mainly staffed by Military bureaucrats more interested in turf wars and empire building than German culture or language, according to Edward N. Peterson (1978:159-163).

A policy of re-educating the young can hardly be said to be aimed very aggressively towards changing the values of older people. And OSS surveys clearly showed that American reorientation efforts had minimal to no effect on German attitudes towards Nazism and Democracy.

In eleven surveys between November 1945 and December 1946, an average of 47 per cent expressed their feeling that National Socialism was a good idea badly carried out; by August 1947 this figure had risen to 55 per cent remaining fairly constant throughout the remainder of the occupation. [...] They also tended to be more critical of than others of the postwar news media, to be more likely to find fault with democracy, and to prefer a government offering security rather than one stressing liberty. (Merritt and Merritt, 1970:32-33)

The same opinion polls showed that people were generally in favour of denazification efforts, as long as they were not personally targeted. The resistance encountered by the Military Government against denazification seems to have been a result of growing discontent over the way the process was handled. (Meritt and Merritt 1970:37)

Konrad Adenauer of the CDU/CSU in many ways mirrored these attitudes. At first a proponent of punishing all former Nazi Party members, he soon started to speak out against the denazification effort, as the massive scope was getting apparent. Although he called for strict punishment of the guilty, he criticised the process for not including non-Nazi party members that supported the party, like wealthy donors, in the guilt classes. He also favoured the release of the “little” party members, for as he laconically put it “*Heroismus ist nicht alltäglich.*” (“Heroism is not an everyday occurrence,” Schwarz 1986:441)

6.e “Die Revolution auf dem Papier”

As Rolf Steininger (1988:123-134) put it, the denazification process in the American zone was very much a revolution on paper. It was a massive effort, where all adults in the zone were questioned and almost a million eventually were judged on their level of guilt within the Nazi system.

It was also highly bureaucratic and formulaic in its repercussions. Low level functionaries were often punished disproportionately hard compared to higher-ups, simply because they were sentenced early in the process, had no defenders among the new German elite or were simply unlucky. “Big fish” within and outside the Nazi party often got away without punishment, or with a mere slap on the wrist.

Also, it seems not to have made much difference in the people’s attitudes towards Nazism or the previous regime. Not until the end of the 60’s would a counterculture movement start asking painful questions about the War and the Nazi era, one of the slogans of which was “What did you do during the War, father?”

OMGUS planned to transform German society by a process of several steps: First to disarm and demilitarise society, then to punish and exclude the prior authoritarian elite from civil society, before reeducating the Germans into good, democratic citizens, preferably in the American mould. This process proved to be progressively more difficult to accomplish.

The successful monopolisation of violence by the occupation forces (in the American zone accomplished through an aggressive and effective disarming of military and civilians, as well as general passivity among the German population.) is vital in nation-building exercises. Significantly thought, the two most notable successes in achieving a monopoly on violence was Germany and Japan, two states where the previous regime also had the strongest entrenched monopoly on violence.

When it came to denazification, the success was not of the same magnitude. Albeit the denazification agencies managed to process all adult Germans in the US zone, the process was fraught with difficulty, and critiqued both for being arbitrarily harsh and for letting upper echelons of the Nazi party and its sympathisers get off without or with very little punishment. The reeducation of the German people into an American ideal was the most ambitious goal in the policy of change in the US zone. By most measures it failed.

7. The Allies

In the waning days of the Second World War, the US Administration was set upon turning the war time alliance that defeated Nazi Germany and Japan into a worldwide system of collective security. But the rosy plans for the post-war era would soon fail. The break-up of consensus and cooperation was undoubtedly one of the main causes of the Cold War, but the rapidly chilling relationship between the United States and the USSR would also have a profound effect on the American treatment of and attitude towards Germans.

In this chapter I will briefly outline the goals and policies of the other Allied occupiers in Germany, and how this affected American policy. Specifically I will address the need for the Americans to abandon their punitive policies in the face of British economic problems, French intransigence and growing communist power in the Soviet zone.

7.a French Resistance

Like after the First World War, the French were insistent on a harsh peace for Germany. The fear of another destructive war permeated their thinking. The French were not invited to the Potsdam conference in the summer of 1945, and were shocked at the agreement hammered out there.

The agreement called for the restoration of a central administration of Germany in Berlin. This was out of the question for French politicians and the press, who saw the break-up of Germany into smaller parts as the only way to secure itself against another destructive war.

Ideally the French wanted control over Saar, and internationalisation of Ruhr and the Rhineland, and ideally the division of the rest of Germany into smaller states. Along with reparations, mainly coal and raw materials from the French zone, the division of Germany was the main objective of the French in Germany. The French were so much against a unified Germany that they refused to let political parties in the French zone use the word Deutschland in their name. Up until the merger with Bizonia in 1949, the SPD was called SP in the French zone. The Ministerpresidents of the French *Länder* were called Staatspresidents, signifying the French resistance to building up German administrative institutions higher than the *Land* level. (Steininger 1988:67-70)

Although they had not been invited to Potsdam, the French had to be invited to the Allied Control Commission (ACC). The ACC was responsible for administering Germany above the zonal level, and in this forum the four occupying powers all had vetoes. In line with the French policy the French representative in the ACC spent the next few years vetoing all initiatives aimed at building up country-wide institutions in Berlin. (Kiersch 1977:62)

But French resistance was not built only around the fear of a resurgent Germany. The French were also pumping raw materials, especially coal and wood, out of their zone for the rebuilding of France after the war. A resurgent Germany might push the French out of their coal- and raw materials-rich zone.

The Americans used a combination of carrots and sticks to try to force France into accepting a less punitive policy towards Germany. The Americans and the British viewed interzonal cooperation as the only way to make Germany even moderately self-sufficient economically. France, on the other hand, managed to run its zone with a net trade surplus, mainly through massive exports of coal and wood.

7.b Monnet Plan

This extraction of raw materials was codified in the Monnet plan, penned by French head of planning Jean Monnet in March 1946. It was an ambitious plan to rebuild and modernise French industry and economy, built on German resources and American machinery and credits. (Willis 1965:246-247)

The dilemma for the French was that to get maximum American help, they would have to assent to centralised institutions in Germany. The French held out for a while, but got tempted by the Americans with the Saar as consolidation, as well as monetary payments.

The crucial foreign-policy decision came in mid-1947, when, after two years of unproductive tussles over loans and the future of Germany, the Socialist Ramadier government finally decided that the USA was more likely than Russia to support French interests. (Killick 1997:110)

When Marshall Plan aid started arriving the year after, the French would, together with Britain, receive the largest share. But the French economy was considerably smaller than the British, meaning that the funds probably had a bigger effect. The French used the Marshall aid, as well as so-called American Counterpart funds, for

investment in infrastructure and industry. Monnet himself calculated that American aid had paid for around one third of the modernisation programme. (Killick 1997:114)

After disrupting the plans for creating central German institutions, the French were eventually "bought off." This turn in French policy came for several reasons: The need for American capital and material assistance and American agreement to some of the French demands in Germany, most importantly the Saar question. Saar would be administrated by the French up until the province decided to join the *Bundesrepublik* in a plebiscite in 1957. Without a doubt, one of the most important factors was the growing animosity between the United States and the Soviet Union, which on one side forced the French to choose a side, but on the other, offered the possibility that Germany might stay divided, and thereby weak after all. Also, the French were not able to run their zone with a surplus from 1948 on, making it less valuable as a source of resources for the reconstruction of France. (Kiersch 1977:76) After an agreement was hammered out in mid 1948, the French merged their zone of occupation into Bizonia in the spring of 1949, thereby removing the last big hurdle for West German central institutions and the founding of the *Bundesrepublik*.

The natural question about French intransigence towards the attempts at creating centralised German institutions is why did the Americans not put more pressure on the French to change their positions? During the whole period while the French were refusing to yield to pressure in the ACC, they were receiving American aid and loans. Clay and the leaders of OMGUS obviously were very interested in restoring central government in Germany to make the German economy more self-sufficient and thus to free up American troops.

One might conclude that the inability of the Administration in Washington to use the means they had at their disposal to pressure the French into compliance suggests that the breakdown of the Potsdam accord was not of supreme importance to the White House. On the other hand, France was politically and economically weak, with a strong communist party. Forcing the French hand might therefore have catastrophic consequences, as where France to fall to communism, West Germany would also be dangerously exposed and the European continent all but lost.

7.c British Reserve

The British, with their vast colonial experience, tended to see the occupation of Germany as a more traditional operation than the United States. The British wanted to

limit the deindustrialisation of Germany to the armaments industry, and war reparations as low as possible. As we recall, Churchill had been forced to concede to the separation and “pastoralisation” of Germany at the Quebec conference in 1944. After Roosevelt’s death however, British views moved back towards supporting a unified and strong German state.

The British had managed to acquire the responsibility for administrating the North-western part of Germany after much arguing with the Americans, who also wanted to control it. (Sharp, 1975) This zone was the most populous part of Western Germany, but most importantly it also included the Ruhr and Rhineland areas, the heart of German industrial might.

The fight over the control of the *Ruhrgebiet* and the Rhineland would turn into the biggest political and economic issue at stake for the British, as well, as well as for the Allies in general. Because of the concentration of industry in these two areas, the treatment of them would be of vital importance not only to the German future, but it would also have continent-wide and global ramifications.

... The future of the Ruhr constituted the greatest challenge, not least because of the intense interest shown by the Soviet Union and France. Economic security, the level of industry debates, reparations: all these questions centred on the Ruhr. British diplomacy made the most of it by keeping all the other powers in the game without giving away anything. Various plans were put forward: a separate state, completely severed from Germany (the French proposal), international ownership and control of the whole of the industrial complex (20 per cent for each of the four powers), and finally a newly founded state consisting of the Ruhr as a trustee of the German people. British Military Government, notably the Deputy Governor Sir Brian Robertson, favoured the formation of a new state based on the Prussian provinces of North Rhine and Westphalia. On 23 August 1946 these two provinces were dissolved and ‘Operation Marriage’, the creation of a new federal state, took place. The *raison d’être* of this development, the transfer of coal and steel into public ownership, though never renounced by the Labour government was postponed indefinitely. (Kettenacker 1997:24)

The zone received the bulk of the millions of refugees flooding in from the East. Unless the sector was to be a bottomless pit of expenses for the British government, Northern Germany needed to start producing and exporting goods to pay for food. For this reason, the British resisted pressure from the other occupation powers, primarily France and USSR, to start aggressive deindustrialisation policies or reparations payments from their zone. They were also consistently calling for the restarting of industrial production and export, so as to get Germany back on its feet economically.

The British were from the beginning interested in a more lenient treatment of Germany than the other allies. An early example was the British refusal to sign on to the JCS 1067 framework for the occupation, which the Americans hoped the British would adopt too. Instead, the British military stuck to the older Combined Chiefs of Staff (CCS) 551 document, up until the merger of the American and the British zone, as I outlined in chapter 2c.

Despite this, and in contradiction with the agreement at Potsdam, the British gradually started to move against a central German administration, as they feared that it might fall into the Communist sphere of influence, according to some British historians, (Deighton 1989:15-34)

As there was no sign that the economic restrictions on German production would be softened over the near term, and with the dual crisis of the British economy and the feeding of Germans and refugees in the British zone in Germany, the Attlee government agreed to Clay's offer to merge the American and British zone in 1946.

The continued economic problems of Britain, and their effect on British policy should not be understated. British inability to counteract communist and Soviet pressure in Greece and Turkey helped drag the United States deeper into European security concerns. In Germany the British economic problems led to reduced influence, but this was mitigated by the United States gradually moving towards the British views on German reconstruction.

7.d Soviet Pressure

Superficially the Soviet positions on Germany had some similarities with the US positions. The Soviet Union wanted a central German government, albeit much more centralised than the federal system favoured by the Americans. The Germans were to pay for their war of aggression. But unlike the American emphasis on destruction of war making potential and throttling of the economy, the Russians pursued a much more direct policy of deindustrialisation.

They scoured the Soviet zone, dismantling about 26 percent of the industrial capacity of their zone and sending it to the Soviet Union. (In comparison to about 12 percent of the Industrial capacity of the Western zones.) (Fulbrook 2002:126-127) A large part of the rest of the industry of the zone was put under Soviet control, and the profit and much of the production was sent to Russia and its satellites.

Like the Americans, the Russians pledged societal change and the uprooting of National Socialism and militarism. Both saw German authoritarianism as part of the reason for the war. The Americans tried to deal with it by half-hearted attempts at building grass-roots democracy and decentralisation of the political and administrative apparatus. The Soviets chose a more hands-on approach. They attacked the economic and political power of the old elites. The Junker class lost their large eastern estates. Control of industry was moved out of the hands of the old industrial elites. In politics and in the bureaucracy, the Soviet Union used German communist émigrés to gain control of the East German governing apparatus on all levels.

The Soviets also worked to strengthen the Communist party as much as possible in their zone, with the goal of making it into a potent political force in post-war Germany. As the speed and scope of the Communist penetration of East German (and Eastern European) society became apparent, western opposition hardened. The British were the first to speak out, for instance in connection with the Soviet support for the Polish Lublin government, but the Americans quickly caught up with British anti-communism, as the Allied post-war consensus fell apart.

One might ask if the rise of the Cold War was not as much caused by Western fears at the speed and ease of the Soviet subversion and subjugation of the countries that fell under its control after the Second World War as by the actual military power of the Soviet Union. Especially for the United States, with its moralistic, deterministic, almost messianic belief in the supremacy of its system, this rapid development must have been deeply troubling and decidedly unnatural.

Another question raised by this interpretation is whether the US Occupation would have been more successful if the Americans had been able to utilise German emigrant elites instead of just handing over power to “the natives” after the war. Whether this is a sign of lack of US planning, or a belief that friendly, democratic forces will naturally converge from within the target country is discussable, although the answer is probably a mix. The apparent use by the United States of Chalabi and his compatriots as instruments for change and control in the latest Iraqi war might be seen as an attempt by the United States to recreate this dynamics. Albeit a rather unsuccessful one.

On the other hand, the dynamics after the Second World War, with growing anticommunism in both Western Germany and in the United States can not be separated from the extremely harsh policies instituted by the Russians in their

occupation zone. German refugees flooding into the Western parts of Germany had horrible stories to tell about abuse, looting and rape in the Eastern zone and in the areas being ethnically cleansed in Eastern Europe.

7.e Threat of a Communist Germany

Some have seen the rapid and massive Soviet infiltration of East German society as a determined Soviet attempt at creating a unified Communist Germany under Soviet influence, a policy followed continuously from the end of the War to the death of Stalin.

The more we learn about [Stalin's] policy toward Germany during the last four years of his life, the more it makes sense to see it as an increasingly desperate series of maneuvers, aimed at [...] salvaging his own scheme for a reunified Germany under Soviet control. (Gaddis 1998:125)

Others agree that the Soviet Union wanted a unified Germany. But the speed and scope of the reparation regime have led to questions about the Soviet determination to turn Germany into a satellite state.

The scale of dismantling was one indication that that the Soviets had no initial firm intention to remain on German soil in the long term; they at this time appeared to want to get in, take what they could, and get out... (Fulbrook 2002:126)

No doubt the Soviet Union would have wanted a communist Germany, and according to Marxist ideology, they expected it to eventually turn into one. And like the Americans the Soviets were not adverse to a bit of pushing of the Germans so as to speed up the Germans on their trek towards Utopia.

But it might be that Stalin would have been content with a demilitarised, neutral Germany, *a la* post-war Austria as a buffer between Eastern Europe and the West, while waiting for the inevitable fall of Capitalism. The virulent anticommunist attitudes prevalent in the Western zones, from the SPD on the left and all the way to the extreme right, would have made it very difficult for Soviet-aligned Communists to gain power in a unified Germany, at least as long as the Western Powers had military forces in the country. Even in the Eastern zone, the Communists did not get more than 30 percent of the vote in the only free elections held there.

No matter what Stalin's plans were, he was viewed with increasing suspicion in the West. And sources uncovered after the collapse of the Soviet Union seem to show that the Russians did not intend to leave East Germany even if the West agreed to the plan for a neutral, unified Germany. (Gaddis 1998)

7.f The growing divide

In the immediate postwar days, the Soviet Union was able to more or less set the agenda. On the April 30, 1945, the same day that Hitler committed suicide, Walter Ulbricht and his group of German Communist exiles left Moscow for Germany.

June 10 the same year the Soviet Union allowed political parties in their zone. The day after, the *Kommunistische Partei Deutschlands* (KDP) was founded. In the founding document, the communists called for the unification of Germany, the restoration of democracy and a vigorous campaign of denazification (Steininger 1988:159) KDP was followed by the *Sozialdemokratische Partei Deutschlands* (SPD) on June 15 and the *Christlich-Demokratische Union* (CDU) June 26.

The Western allies were taken by surprise. At the subsequent Potsdam conference, the United States and Britain agreed to a process of democratisation and to the creation of a central German administration in Berlin. Implementation of the Potsdam agreement was put in the hands of the Allied Control Council. The French, invited to the ACC but not to Potsdam, vetoed all subsequent attempts at implementing central agencies.

Political activity was allowed in the Western zones in the autumn of 1945. The Berlin parties immediately started to work towards putting their western sibling parties in under "central control." After considerable Soviet and Communist pressure, the Berlin leadership of SPD under Otto Grotewohl agreed to a merger with the KPD in April 1946. The new party, Sozialistische Einheitspartei Deutschlands (SED) would run the Eastern zone and later the Deutsche Demokratische Republik, up until reunification. According to Gaddis (1998:116) Stalin met with KPD leaders in the summer of 1945, and discussed a plan for gaining control of Germany, in which the Soviet forces would secure SED control of the Soviet zone, while the merged SED would draw socialist and communist groupings in the West under its umbrella, thereby laying the groundwork for a communist takeover of the whole of Germany through democratic means.

The SPD in the Western zones, under the leadership of Kurt Schumacher, was, however, wary of such a turn of events. It condemned the creation of SED and racked up its anti-communist and anti-Soviet rhetoric throughout 1946 and beyond. (Edinger 1965:70-190)

The CDU and CSU of the Western zones also refused to subjugate themselves to the Berlin “headquarters”. Konrad Adenauer rose to the leadership of the CDU in the British zone, and slowly turned the party away from flirtation with “socialist” ideas like nationalisation, and subduing calls for restoration of central rule. (Schwarz 1986:425-617) As a result, the German political elites were already at this early stage starting to separate themselves into distinct East and West German spheres.

Cut off from the agricultural areas of Eastern Europe and with no central distributing agencies, along with the influx of millions of refugees, the economies of the British and American zones deteriorated during 1945 and 1946, and needed infusions of food and capital to avoid disease and unrest. The Soviet and French zones, on the other hand, were turned into net exporters, used for the rebuilding of their respective occupying countries.

Irritated by French and Soviet insistence on reparations in the face of a growing economic crisis, Clay stopped reparations payments from the American zone in May 1946, just two months after Allied agreement on the Level of Industry Plan, which was aimed at reducing the German standard of living to the level of 1932, and industrial capacity to about 50 percent of the 1938 level.

Stalin’s so-called election speech of February 1946, in which he called for massive rearmament, is sometimes cited as the starting point of the Cold War. And the “explanation” of the speech, written by American *Charge d’Affaires* in Moscow George F. Kennan, (Known as “The Long Telegram”, posted under the pseudonym “X” in Foreign Affairs, 1947) would create far more consternation in Washington than the speech in itself. Calling for a tougher stand against the Russians, it would embolden the critics of the “appeasement policy” towards the Soviet Union in the Administration. But Clay and Byrnes continued advocating for cooperation with the Russians through the spring and summer of 1946. Both only gradually shifted their positions during 1946, in the face of Soviet intransigence and shifting public opinion at home.

Due to the widening economic crises in the American zone and the lack of common policies, the Americans invited the other allies to merge the zones in July

1946. The British accepted, thereby formally initiating the road towards the division of Germany. American policy against the German population was still punitive in nature, but fear of the “growing communist threat” led to a colder relationship with the Soviet Union, as well as interference with the newly elected *Land* governments to stop nationalisation, corporatist organisations and other examples of “creeping Marxism”.

Secretary of State James Byrnes, one of the Americans most intent on keeping the cooperation with the Soviet Union going, finally conceded to the growing pressure from Washington and from Britain and Germany in September 1946. In his speech at Stuttgart on the September 6, the Germans for the first time learnt that they were to receive more lenient treatment, that the United States would keep troops in Germany for the length of the occupation, and that the United States was committed to the introduction of democracy in Germany and to the rebuilding of the German economy so as to make it self-sufficient.

The new American attitude towards the Soviet Union and Germany also manifested itself in US voting booths. In the midterm elections of November 1946, the Republicans swept to majorities in both chambers. The new Republican majority was advocating Federal spending cuts, but was also fiercely anti-communist. To get funding for its foreign commitments, the Truman administration (which shed Byrnes and pro-Russian Secretary of Commerce Henry Wallace in the winter of 1946/47) had to play on the fears of spreading communism to persuade the Republican majority, and the conservative southern Democratic congressmen and senators.

Cooperation between the Truman administration and the powerful Republican senator Arthur Vandenberg, first initiated to replace British military aid to Turkey and Greece in the spring of 1947 (against communist guerrillas in Greece and Soviet pressure in Turkey), pushed American policy on Germany decidedly away from cooperation with the Soviet Union.

The new Secretary of State George Marshall and President Truman got bipartisan support for the military and economic aid to Greece and Turkey, by promising senator Vandenberg to publicly voice the same kind of rationale about the creeping danger of Communism they had used in private meetings in Congress. The result was the famous speech by Truman on March 12 1947, where he laid out what would later be known as the Truman Doctrine. (Hammond 1969:16-23)

The final abandonment of the effort to get an agreement on a unified Germany is said by some historians to have happened at the meeting of the Allied foreign ministers in Moscow, from early March to late April 1947. With Soviet foreign minister Molotov refusing to back down on Soviet demands during a long series of fruitless sessions, the Western allies resorted to discussing the German problem on their own.

These [informal conversations] produced the first consensus among *all* the Western allies, including the French, in support of Bevin's view that a truncated and rehabilitated Germany would be less dangerous than a unified state that might come under Soviet control. (Gaddis 1998:117)

They did not reach total agreement. The most important issue to the French, their request for the internationalisation of Ruhr and the Rhineland, would not be solved for some time yet. But the new course was more or less set: An abandonment of cooperation with the Soviet Union and the goal of a unified German state, for the division of Germany into two distinct parts. On the American side, this was an important break away from anti-nazism and towards anti-communism as the principal driver of policy on Germany.

In June 1947 the punitive JCS 1067 guideline for the occupation was superseded by the much more accommodative JCS 1776. This document, restorative in nature, was publicised in the same month as Secretary of State Marshall's famous Harvard speech, laying out the case for the economic aid that would later be known as the Marshall aid. In his speech, Marshall was careful not to leave the impression that the aid programme was designed to bolster Europe against Soviet pressure, mentioning only vague threats against unspecified countries that might work against the US policies:

- Any government which maneuvers to block the recovery of other countries cannot expect help from us. Furthermore, governments, political parties, or groups which seek to perpetuate human misery in order to profit therefrom politically or otherwise will encounter the opposition of the United States. ("The Harvard Speech" Pharo and Nordahl 1972:79)

The Soviet Union was invited to join in the request for aid from the United States along with its new satellites. They refused however, to the relief of the Western allies. (Hammond 1969:25)

The focus in Germany had now definitively moved from a policy of anti-fascist reform to anti-communist containment. While Britain and the United States were still committed on paper to the restoration of a unified Germany, they were busy integrating Bizonia and trying to settle their differences with France so as to create a West German bulwark against the Soviet Union.

8. The Economy

The economic policies pursued in Germany went through two distinct phases, as with American policy towards Germany in general. During the first phase, lasting from the end of the war and roughly until the institution of the currency reform in 1948, the German economy was artificially deflated due to American policy decisions, Allied disagreement and bureaucratic control and incompetence. The second period, from 1948 and onwards, was characterised by a rapid turning over of control from the Allied MGs into German hands, along with an end to the most punitive American economic policies in Germany and the beginning of a program of American economic aid for reconstruction, instead of aid for food and other essential products, as earlier.

8.a Stunde Null

It was the stated goal of JCS 1067 to keep the basic living standard of Germans below the level of any of Germany's neighbours, and that the MG were to take no steps to strengthen or maintain the German economy, unless needed to fulfil American objectives. (FRUS 1945 III:494) At this the Americans succeeded. The controls on the economy in the American zone, and the other occupation zones for that matter, were sufficient to keep the German economy almost stagnant during the first couple of years of the occupation.

Economic controls were hotly debated, however, both between the allies and among the American administrators. Clay claimed that upon coming to Germany in the spring of 1945 he was shocked at how unsuitable the JCS 1067 provisions were to the situation "on the ground". According to him and his advisors, the document clearly foresaw an economically functioning Germany, able to handle restrictive Allied economic policies. (Morgan 2002:76)

What they found on arrival were what the Germans later termed *Stunde Null*, the complete breakdown of the economy, massive damage to the infrastructure and massive shortages of food, shelter and basic goods. Clay, tasked by JCS 1067 to keep the German population free from "disease and unrest", and also with instructions to make the occupation self-financing, sent his economic advisor Lewis Douglas to Washington in the autumn of 1945 to ask for a revision of the JCS document to allow

the restarting of limited industry exports, so as to make it possible for the Germans to pay for what imports were needed, primarily food. The mission was a failure. Douglas only managed to get a concession for the MG to exercise further controls to fight inflation. Douglas resigned in protest, while Clay kept to his post, hoping that Allied cooperation would make it possible for the different occupation zones to eventually return to something resembling an economic unit, as envisaged in the Potsdam accords.

The first years were dominated by the work of feeding the hungry German masses, both residents and refugees from the East. The closing and destruction of the armaments industry was also important, along with dealing with bottlenecks in the economy, especially when it came to transportation and agricultural products, and administering reparations payments from Germany to countries that had suffered from Nazi aggression.

In the Western zones reparations mainly consisted of the export, free of charge or under extremely favourable credit arrangements, of large amounts of coal and other non-manufactured goods. The US and the British claimed no reparations themselves, but did in fact pursue a vigorous program of information gathering on German industrial processes and practices, both military and commercial. The monetary worth of these extractions of German technology and research has never been adequately quantified by either the US Government or researchers. John Gimbel, in an article on the American research extraction program, suggests that a Russian claim at the time of a monetary value of the extractions at around 10 billion dollars was not wildly off the mark. The extraction programs ended with the change of American occupation policy in mid 1947, due to fear that they would undercut the rebuilding of German industry. (Gimbel 1993:193)

The punitive policies of the occupation in the economic field were many and varied, ranging from keeping the rations of Germans barely at sustenance level, to the discouragement of German industrial exports and disruption of trade. This affected trade between Germany and the rest of Europe, between the Occupation zones and even commerce between different parts of the American zone. The monetary policies of the Allies led to runaway inflation of the struggling *Reichsmark* and the growth of a sustenance economy that was heavily dependent on black market dealing, instead of organised economic and industrial developments.

8.b Deindustrialisation

Despite growing opposition, the concept of deindustrialisation of sectors of the German economy, first seen in the Morgenthau plan, continued to set the agenda for the allies well into 1946. *The Level of Industry Plan* of March 1946 can in this context be seen as the final “judgement” on the German economy, before anti-communism overtook anti-Nazism as the principal goal of the American Occupation.

This plan, hammered out by the allies in the Allied Control Council, decreed that Germany’s standard of living was to be reduced to the 1932 level, and that it was not to exceed that of its European neighbours. Industrial capacity was to be reduced to about 50-55 percent of the 1938 level, and over 1500 factories were to be dismantled in the Western zones. Limits were imposed on the production of virtually all goods, except for armaments and war-related products, which were banned completely. Only coal production was increased, an important reason being the use of coal as restitution payments to Germany’s neighbours, primarily France and Belgium. (Fulbright 2002:127-128; Hardach 1980)

The Plan included provisions for the exchange of food and raw materials from the Soviet zone with products from the Western zones. But this agreement was cancelled only a couple of months later. Along with a general worsening of the economic situation, the fear of famine, a further breakdown of relations with the Soviet Union, and continued British pressure to use German industrial capacity to feed the German population, the Americans slowly started to move towards a more lenient policy.

8.c Decartellisation

According to Peterson (1978:126-131), breaking so-called cartels was the most important part of the “defanging” of the German economy. The American planners viewed the German industrial arrangements as a series of cartels or trusts that had been vital in the build-up and execution of the German war effort. A breakup of the cartels was viewed by the Americans as an important tool to hinder the Germans from again waging aggressive war.

The retreat from the policy of decartelisation is in many ways indicative of American economic policy in Germany in general. It happened not as much from German resistance, as because of disagreements within the MG and its Economics Division, as well as opposition from the British.

The breakdown of decartelisation would lead to a minor scandal because of the vocal protests of the “losing faction” within the MG, led by James Martin and Bernhard Bernstein (a close ally of former Treasury Secretary Morgenthau). Martin later wrote a book on this topic, *All Honorable Men* (1950), which passionately laid out how the plans to reform German industry were systematically being undermined by “reactionary” elements within the Economic Division, from its leader, General Draper (a former Wall Street Investment Banker), and on down.

The distaste for destroying functioning economic structures and punishing the big wartime companies led to clashes with the ideologues of the Decartelisation group, who wanted a thorough reform of the German economy. After a long drawn out-fight, where the decartelisation groups’ only *big* accomplishments were the seizure and partial break-up of I.G. Farben and the appointment of a trustee to administrate coal wholesale firms, Martin eventually left. Criticising the gradual removal of administrative power for the decartelisation branch, Clay’s “inability” to sign Martin’s proposal for a decartelisation law and the lack of progress and support for decartelisation in general, he left March 22, 1947.

Draper appointed his son-in-law Phillip Hawkins to Martin’s position, and the Decartelisation Branch turned more and more into a paper mill, where small and medium companies had problems getting export or production licenses, while bigger firms, especially the ones with pre-war relationships with Western European and American companies, were able to use their contacts to get not only licenses, but preferential treatment in the form of allocation of coal and electrical power to transportation assets and prisoners of war as forced labour. (Gulgowski 1983:288)

Martin saw Clay’s unwillingness to take a firm stance on decartelisation as the reason for the floundering of the policy. Despite the fact that Clay had originally argued for an effective decartellisation law (as he saw it as a deterrent to any attempts at nationalisation of industry), he admitted later that he was unwilling to stand behind a strong and disruptive decartelisation process in the face of mounting economic problems in Western Germany and mounting pressure from Washington to cut costs. (Gulgowski 1983:286-287; Gimbel 1968:117)

Others blamed Martin and his compatriots, in essence arguing that the young lawyers staffing the Decartelisation Branch were overzealous and tone deaf to German administrative traditions. MG officer Bert Schloss would later characterise the fight against cartels as a quixotic endeavour:

The Americans in charge of the anti-trust action in Germany seemed to have acted under the illusion that the Germans themselves had never recognised the problem [of cartels,] or done anything about it. In fact, the Germans had a well-developed system of legal supervision of cartels, the administration of which was entrusted to the highly competent special courts.... The new law (which read like the Sherman Act) omitted any reference to established German legal ideas, institutions or procedures. (Schloss, 1955:256)

The failure of decartelisation can, however, not be blamed solely on American cluelessness towards local customs or Wall Street resistance. As the occupation authorities dealt with the mounting economic crisis, it gradually became obvious to Clay and others at the top that the British were right in their view that some German industrial export was needed to feed the country's citizens.

8.d Food crisis

The lack of food, brought about by the loss of German farmland to Poland and the Soviet Union and the end of imports as well as the depletion of fields as a result of wartime overproduction, was the most pressing problem. It was increased by the MG overestimating the amount of food that could be grown in the American zone, and the attitude that the Germans should pay for feeding themselves, at the same time as Allied restrictions kept German exports at a minimum.

With little to no fertilizer, lack of manpower and machinery, agriculture in the American zone improved only gradually. At the same time a massive influx of refugees from the East threatened to push the entire American zone into famine.

The only solution available was to start importing an increasing amount of food, if people were not to starve to death. Despite the imports, the death rate among the children and the old rose quickly. During the first year of the American occupation 30 percent of children less than one year old died. By 1948, food rations in Bizonia were still around half the recommended level, despite the United States and Britain spending an estimated 1.5 billion dollars importing food. One reason was the continued problems in agriculture.

The farms of the western zones were still only producing at 60 percent of the level before the War. Some of the blame undoubtedly lay with the severe weather conditions of 1946 to 1947, but the failure to supply the agricultural sector with vital supplies to increase production was clearly also part of the explanation. (Peterson

1978:118-120) The situation improved only after the currency reform of June 1948 and the removal of Allied economic controls that followed it.

There was also a massive problem delivering enough coal, partly because of a shortage of experienced workers. To increase productivity, coal miners were given better housing and more generous rations than the rest of the civilian population, at around 3000 calories a day. (Latour and Vogelsang 1973:153-154) For the general population the goal was 1600 calories a day, but it periodically fell under 1000 calories a day. During the winter of 1946-47 the calorie distribution averaged 1040 calories a day, with a bottom at 650 calories a day. (Peterson 1978:118)

In comparison, the Food and Agriculture Organization of the United Nations recommends an average calorie consumption of about 3200 calories per day for men and 2300 for women. (Passmore, 1964) Clearly the population in the US zone needed additional sources for sustenance, outside of the official, rationed food economy. This was usually done through foraging, black marketeering or small-scale farming.

8.e Constraints on exports and inter-zonal trade

One of the bigger problems of the American economic policy in Germany was how the punitive aspects of US policies tended to undermine the efforts to achieve self-sufficiency, as we just saw when it came to food production. JCS 1067 instructed the MG commanders to keep control over exports and imports.

4.9 All foreign exchange transactions, including those arising out of exports and imports, shall be controlled with the aim of preventing Germany from developing a war potential and of achieving the other directives set forth in this directive. (FRUS 1945 III, 502)

These constraints on foreign exports and finance were an example of self-defeating American policies. The *Reichsmark* was not legal tender outside of Germany after the war, and the Foreign Trade Section of American MG would only approve of foreign trade between Germany and other countries either by barter or in dollars. The dollar requirement was a big problem for European countries, which were all running large current account deficits with the United States because of the rebuilding after the war. They simply did not have dollars to send to Germany, when the few dollar credits they had needed to be spent buying more vital supplies directly from the United

States. Potential trading partners complained it was easier to trade with the Russian zone than with the American.

The Dutch, short on dollars as were they all, were driven to the expedient in 1947 of destroying the vegetables they were long accustomed to sell to the Ruhr and Rhineland although the people there were desperate for food. (Peterson 1978:125)

The failure to create the common economic administration for Germany envisaged at Potsdam was also contributing to the difficult situation. The four occupying powers were pursuing different economic policies, and the level of cooperation between the zones was low, with the exception of Bizonia after the merger.

In the American zone the effect was magnified by MG policies encouraging the *Länder* to act as autonomous units. This led to border controls being set up to stop badly needed industrial output from disappearing out of individual States. (Peterson 1978:120-132)

8.f Fight against Nationalisation

It was the stated policy of the United States to leave the handling of the economy in German hands as soon as possible, but under American supervision and following overall American policies. The MG Commander was instructed: “*To the maximum extent possible [...] you will use German authorities and agencies*” in the running of the German economy. (FRUS 1945 III:493) This was not so much an outreached hand to the German bureaucracy as it was an additional punishment. The Germans were tasked with a policy of keeping the German economy in stasis, awaiting successful denazification, decartellisation and partial deindustrialisation. As a punitive measure, the use of the German local and zonal administration to police a hard economic peace was a failure. But then the focus of the occupation, both for the MG and the Germans moved quickly to keeping the faltering economy running at all in the difficult conditions resulting from the zonal divisions and overall economic policies.

The American MG was quick to reinstate German administrative apparatus on the local and *Land* level, and from the autumn of 1945, on the zonal level through the *Länderrat*. These German institutions, eventually elected, gave legitimacy to American rule at the same time as they reduced the size and commitment of the American administration.

The problem for the MG was the irritating habit of the German administrators of turning to corporatist solutions or even to nationalisation of industry in their effort to rebuild the shattered economy. Draper, Wall Street banker turned General and leader of the Economics Division of OMGUS, was less than happy with this.

Throughout the occupation, calls for nationalisation were ignored or disrupted. Clay personally intervened to squash nationalisation laws in Hesse and North-Rhine-Westphalia, and to pressure the British into doing the same. Pressure was also exerted to split communist and socialist trade unions, isolating the more extreme ones, and moderating the rest. (Fulbrook 2002:129-131)

Corporatist solutions to the administration of industry were supported by both labour unions and trade associations. Laws were proposed in all Western zones for the creation of labour councils, formal institutions to regulate industry and the economy. In the French zone these councils would work throughout the French occupation, and some fragments of this policy would survive for decades after the founding of the *Bundesrepublik*. The British were in principle not hostile to the idea, but the implementation was put on hold with the merging with the American zone. Only in the American zone was there a fundamental opposition to corporatist solutions. The most famous case was the blocking of the Hessian *Landeswirtschaftsrat* (economic council), an agreement between all the major employer and labour organisations, and supported by the German *Land* Government and factions of the American MG. It was promptly vetoed by Clay when signed into law. (Prowe 1993:313-320)

Despite the fact that a majority of Germans were in favour of expropriating and nationalising industry after the war, this was the area where American administrators acted the most forcefully and would leave the most enduring marks. The Economics division, under General Draper, in many ways shaped important parts of the economic policy in the *Bundesrepublik* by the foundation they laid by fighting tooth and nail against all German attempts at nationalising industry, and against attempts to create corporatist trade councils involving industry and labour unions.

8.g Dividing the loot

As noted earlier, the British might be said to have been following the most accommodative policy towards the Germans. The political winds were changing, and the policymakers in Washington as well as London had started the move towards anti-communism which would lead to the gradual abandonment of the restrictive military occupation and the division of Germany along ideological lines.

With the merger of the British and the American zone on the first day of 1947, the American *Länderrat* was extended to include the British *Länder*, and the tasks assigned to this German-run administration were increased. With the later addition of the French zone, this would be the nucleus for the emerging *Bundesrepublik*.

There were some attempts at creating a unified Germany, but they were all unsuccessful. The June 1947 all-German conference of Ministerpresidents was the final straw for West German politicians (most notably Adenauer and Schumacher). The West German Ministerpresidents were neither allowed nor prepared to accept the calls for cooperation from their colleagues in the Soviet zone. (Kettenacher 1997:35-36)

The Soviet Union did not give up the policy of reunification until Stalin's last breath in 1953. "*It is now clear that Stalin never wanted a separate East German state.*" (Gaddis 1998:125-127) The last attempt by Stalin to wrestle West Germany out of the American sphere of influence was in the spring of 1952. The Americans were initially interested, but the British, French and Chancellor Adenauer were against it. (Steininger 1985)

8.h Currency reform

As the attitude of the British and Americans towards the Soviet Union chilled, the policies towards the Germans in the Bizone softened. More and more authority was put into the hands of the German-run administrative apparatus, and the MG gradually withdrew. The German *Land* administrations were already well established by 1947, but with the building up of the Bizone, the scene was set for the emergence of German national leaders, and for the emerging West German state. For the Americans, who had worked towards grassroots democratisation and decentralisation of politics, it must have been disheartening to see how much influence the leaders of the two biggest parties, Konrad Adenauer of the CDU/CSU and Kurt Schumacher of the SPD, were able to wield.

The only real checks on their powers were the Ministerpresidents of the *Länder*. Especially the Ministerpresidents of the former American zone were acting independently, as they had been voted into power, as opposed to having been appointed in the British zone. (Bavaria, the biggest *Land* in the south, was by far the most independent-minded, calling itself a “Freistaat”, as well as being ruled by its own Christian-Social Union party.) (Kettenacher 1997:43)

The two main political figures of the postwar period, Adenauer and Schumacher, had several things in common. They were both prominent politicians of the Weimar era. Schumacher had been an SPD member of the *Reichstag*, Adenauer had been *Oberbürgermeister* of Cologne during the whole Weimar republic. They had both been removed from office and prosecuted by the Nazis, although Adenauer’s brief capture at the end of the war paled in comparison to Schumacher’s ten harsh years in a concentration camp.

For Schumacher, his and his SPD compatriots fight against the Nazis and their survival was proof that only they were morally in a position to rule the new German state. Schumacher had come out of the concentration camp a man broken in body (he lost one arm and was partially crippled) but hardened in spirit. By far the best known and most popular German politician in the first post-war years, he in many ways epitomised Germany to ordinary people.

For Schumacher and many of his followers the Communists were tainted by their subservience to the Soviet Union, and by their attacks on the SPD during the Weimar era, laying the ground for the ascendance of the National Socialists. The bourgeois parties were weakened by their lack of resistance against Hitler during the Nazi era, and by their subservience to the Western Allies. They were weak, collaborators. Only the SPD had been fighting, and dying. By right of their sacrifice, the SPD were destined to rule. (Edinger 1965:144-190)

Adenauer was the chairman of the CDU in the British zone, and “the most cunning of foxes”. (Kettenacher 1997:28) While Schumacher’s SPD had learnt to be wary of their ideological cousins in the Communist party after the turmoil of the Weimar years and the rise of the Nazis, Adenauer and his CDU tried to build bridges with other right-of-centre groupings to maximise their power base.

Adenauer had belonged to the Catholic Centre party during the Weimar era. Many of his ideological allies shared his conviction that the division of Christian voters into protestant and catholic parties, and the constant strife between them,

helped open the way for the National Socialists. The old Centre party was also guilty of signing the *Enabling Act* of March 23 1933, the virtual death sentence of the Weimar republic. (Schwarz 1986:478-484)

The CDU worked towards gaining as broad a voting base as possible. For most of the occupation period this involved calling for collectivist approaches like corporatist control of the economy and nationalisation of selected industries. The most concrete evidence of the relatively left-wing policies of the early CDU can be found in the January 1947 *Ahlen programme* for German economic recovery. (Schwarz 1986:539-541)

Strong forces within the new party wanted to call it the Christian Social Union, a proposal voted down partially for tactical reasons. The fact that the Bavarian part of the Christian Union is still called that, probably says more about the Bavarians' independent spirit than their socialist leanings, then as now.

Despite this, Schumacher's SPD seemed to be ascendant in the Western zones. Schumacher himself was clearly the best known and most respected German politician in the years after the war. His determined stance against Nazism, and the suffering he had endured because of it, made him into a symbol of German pride. Not all Germans were collaborators in the war.

But in the summer of 1948 a wind of change was blowing, in which Schumacher's unbending will lost out to Adenauer's more pragmatic power politics. In the American financial division of the MG, and in the German administrative apparatus, the need for a currency reform had been discussed for years. The first American plan was on the table in the summer of 1945, and the Germans submitted over 250 different proposals for a reform. They were all postponed or shelved, for different reasons.

The most important reason was that the Americans were still working towards the goal of a unified Germany. And instituting a new currency in only parts of Germany would lead to a de facto partition of the country into different economic zones. But with the relationship with the Soviet Union rapidly cooling, and with Bizonia a reality and France willing to compromise, the decision to cut the Soviet zone off was taken. In Frankfurt, the administrative centre of Bizonia, Ludwig Erhard had been chosen as the head of the Economics Council. The American and British MG had by this time presented dozens of plans for currency reform, which was considered vital for reviving the German economy. Erhard built on these proposals,

and got a new currency reform approved by the Allies. The Currency reform, instituted in June 1948 also included, to the apparent surprise of the Western allies, the removal of most price controls and other state controls on the economy.

Ludwig Erhard more or less built his reputation on the response he gave when MG economic advisors told him that deregulation was beyond his authority. When asked by him what law prohibited him from doing so, the MG officers read him the law saying that he could not change MG regulations. To which Erhard's famous reply purportedly was "*Ich habe sie nicht verändert, ich habe sie abgeschafft!*" (Peterson 1978:191)

It is a measure of the increasingly important and independent position of the German administrative apparatus that Clay did not fire Erhard on the spot, like Erhard's predecessor had been, for much less of an offence. Instead Clay backed Erhard, and most price controls were lifted on June 25 1948.

The currency reform, which substituted the nearly worthless *Reichsmark* with a new West-German *Deutschmark*, was on the one hand the largest move towards a division of Germany up to that date. On the other hand it was a vital step in revitalising an economy that had since the end of the war been mainly barter- and black market-based.

Whether the following economic boom was the result of the currency reform and lifting of economic controls (as Erhard saw it) or the Marshall Aid (which I will return to shortly), or as some historians see it, already in process by the time of these events (Abelshauser 1991:367-409), there was no doubt by the time of the federal elections in the spring of 1949 that conditions were improving. Adenauer, who wisely had persuaded Erhard to switch party from the Liberal Democrats (later *Freie Demokratische Partei*, FDP) to his own CDU was able to take full advantage of this in the election campaign. While there were undoubtedly other factors involved in the surprise CDU win in the first German elections, such as strong anticommunism and, according to some, Schumacher's divisiveness (Edinger 1965), the state of the economy clearly helped propel Adenauer into the chancellorship. With Erhard onboard as a strong counterweight, Adenauer was able to neutralise the left wing of the CDU/CSU coalition, to ditch the Ahlen plan once and for all and to opt for a *laissez-faire* economy with a social security net, somewhat misleadingly labelled "social market economy".

8.i Marshall Aid

On June 5 1947 General Marshall held his famous speech announcing what would later be known as the Marshall Plan. Due to a series of interlocked crises, primarily the British financial crisis, the continued economic troubles in Germany as well as weakening economies and strong communist challenges in France, Austria and Italy, the US promised to offer what was at the time an enormous sum of money as loans and grants to aid European recovery. (Pharo and Nordahl 1972:79) Or as the orthodox narrative goes:

In France and Italy powerful communist fifth columns were thriving upon the protraction of the post-war paralysis and the inability of governments to deal with it. An unusually harsh winter, followed by devastating drought in most of Europe, made starvation in the coming winter a real possibility since none of the European countries possessed the means for purchasing food overseas. (Warburg 1953:46-47)

Newer literature has asked questions about whether the crisis was really as severe as contemporary American rhetoric would have it. Along with this, economic historians have also over the last decades started to ask whether the Marshall Aid really was responsible for turning Europe around economically. They point out that the aid, in relation to gross domestic product in the target countries, was relatively low, and that a recovery from the harsh winter of 1946/1947 was already well under way when the Marshall Aid finally got under way in early 1948. (Killick 1997:94-102)

Critics are also right to point out that despite the publicity the amount of US aid given through the Marshall Plan almost exactly equalled the aid given in the three first post-war years. Despite German recovery being one of the main goals of the Marshall Aid, West Germany would get less per head than any other major nation receiving Marshall Aid. And in principle all of it was given as loans. (Although two thirds of the debt incurred by Germany during the US occupation would be cancelled in the beginning of the 1950's.)

In one area, though, the Marshall Aid served a very important function. As a symbol of US political commitment to Western Europe in general and West Germany in particular, it had an immense effect.

There is another reason for the Plan's continued vitality. It has transcended reality and become a myth. To this day, a truly astonishing number of Germans (and almost all advanced high school students) have an idea what the

Marshall Plan was, although their idea is very often very inaccurate. They think the Marshall Plan was aid given exclusively to West Germany; that it was given in the form of a vast amount of dollars (cash); that it was an outright gift from the U.S. Many Germans believe that the Marshall Plan was alone responsible for the economic miracle of the Fifties. And when scholars come along and explain that reality was far more complex, they are sceptical and disappointed. (Stern 2001)

As a symbol of support and cooperation, the Marshall Plan has outlived and outshone all other US policies in West Germany. Whenever I discussed the topic of this thesis during my visits to Germany, the response from young Germans would immediately be “Ah, the Marshall Plan, right?” Well-publicised largesse goes a long way towards covering up past failures...

9. Germany: A comparative look

The United States has been involved in military occupations with the intent of creating stable, friendly regimes since the Maine went up in a cloud of gunpowder and dubious intelligence in Havana harbour in 1898. This chapter outlines this brokered history of interventions, and compares the occupation Germany with them. Further, I compare the occupation of Germany to my definition of nation-building, especially when it comes to the issue of strength of state institutions, and put forth the theory that the German occupation, along with Japan, differs from other US occupations in that there was a concerted and successful (albeit limited in scope) effort to reduce state strength in these countries.

9.a American occupations

It is difficult to find a common thread in what one might call American nation-building. At different times the United States has chosen to occupy and administrate foreign countries for different reasons, with different goals and using different methods. The most consistent theme might be said to be how these military interventions have been legitimised to the American public. From the bloody guerrilla war in the Philippines a hundred years ago to the bloody guerrilla war in Iraq, American civilian and military leaders have used the prospect of civilising and democratising the territories held as a reason for their presence. (Boot 2002)

While there is some connection between these occupations and what was attempted in them, the differences are also striking. And the strategic considerations as well as the rationale for these military interventions have changed according to the larger waves of American foreign policy.

In short, the history of American interventions can be divided into seven different phases. The first, imperialist period, saw the United States “rediscovering” the Monroe doctrine, using it as a pretext to extend its influence in the Western hemisphere. The Spanish-American war of 1898, where the United States threw the old colonial power Spain out of the Caribbean and the Pacific, was the prime example of this period. The result was the annexation of the Philippines, Puerto Rico and Guam, and the conditional independence of Cuba.

The new independent Cuba was somewhat of an American puppet state. The first president was Tomás Estrada Palma, an American citizen who initially favoured

the American annexation of the island. The so-called Platt amendment, which detailed strict conditions for the withdrawal of American troops, was enshrined in the Cuban constitution. Among these conditions were the right of the US to intervene militarily in Cuba, as well as indefinite leases of military bases on Cuban territory, including Guantanamo Bay. (Bevans 1971:1116-17) Likewise the creation and propping up of the new Panamanian state is most easily explained as an American imperialist project, with the goal of creating an American-controlled channel through the Isthmus.

Less blatantly imperialistic was the period from the beginning of the First World War and through the 1920's. Inspired to a degree by Wilsonian idealism the United States used its newly won hegemony of the Western hemisphere to try to turn struggling Central American and Caribbean states into more stable democratic nations. These efforts included the 1915-1934 military occupation of Haiti, the 1916-1924 occupation of the Dominican Republic and the 1926-1933 occupation of Nicaragua. Several incursions to prop up the struggling regimes of Panama and Cuba can be considered continuations of earlier US commitments to these countries. The nasty guerrilla war in the American protectorate of the Philippines was finally quenched in this period, after nearly two decades of atrocities by both sides of the conflict, and the death of between 200,000 and 1 million Filipinos as well as about 4000 American soldiers. (Smallman-Raynor 1998; Boot 2002)

These interventions could hardly be called smashing successes. And there was strong opposition within the United States against what was considered colonial adventures. One can question how heartfelt the attempts at democratisation and reform really were. A cynic might call the relatively modest reform programs of these occupations a mix of "white man's burden" and an attempt at stilling the considerable domestic opposition to these foreign adventures.

The Franklin Roosevelt administration, under financial strain and bent on solving problems at home rather than financing foreign adventures, stopped the policy of interventions, and tried to influence the US "back yard" through diplomacy. (The "Good Neighbourhood" initiative.)

The next period of American military occupation was the immediate post-World War Two era. If the establishment of stable democracies can be considered the criterion for success of American military occupations, this was the period in which the American Army could do almost nothing wrong. Most famous are the occupations of Germany and Japan. Less often mentioned are the occupations of Italy and Austria,

also part of the fascist forces fighting against the Allies, as well as the limited occupation of South Korea. Austria has been a generally stable country since the end of the war, while Italy has had a rougher ride. The austere economic policies followed by the Christian Democrats after the war led to social and political turmoil and a lacklustre economy. But despite runaway inflation and governments and the only slowly diminishing communist threat, post-war Italian developments are generally considered a success. (Geppert 2003)

The Cold War was surprisingly low on American nation-building exercises, considering the vastly increased strategic reach and interests of the United States. After “successfully” stalemating the Chinese forces in Korea, US troops in South Korea were content with letting dictators rule, as long as they kept the territory out of the hands of the North Koreans. In South Vietnam the Americans had to drop their support for the resident dictator and made a few half-hearted attempts at democratising under increasing pressure from the Vietcong guerrillas. The democratisation efforts petered out with the stepping up of the “Vietnamization” (i.e. withdrawal) efforts.

In Cambodia, the American surrogate regime was replaced with the Khmer Rouge after the US withdrawal. Hardly a victory for democratisation. The peacekeeping mission in Lebanon in 1983 ended with a couple of hundred dead US Marines and a withdrawal a few months later. The only success stories as the Cold War neared its end were the lightning strikes on, and withdrawal from, the communist powerhouse of Grenada (in 1983) and the deposing and incarceration of the supposedly drug-smuggling president Noriega of Panama (in 1989). These two Caribbean nations are the only examples, except for the immediate post-World War Two occupations, of countries that have stayed democratic since the end of American or allied Military Government. (Collier 1993)

The end of the Cold War led to a renaissance for ambitious projects of nation-building. The start was not very promising. In Somalia in 1993, US and UN forces got embroiled in warlord power-struggles, took some casualties, and fled. This was the first big foreign policy debacle of the Clinton presidency. As post-communist regimes and third world countries imploded all over the world, the Clinton administration used humanitarian missions in failed states to realign the American system of military alliances from containment of the Soviet Union to spreading peace, democracy and market liberalism in Haiti (1994-96) Bosnia Herzegovina (1995-present) and (after a

short offensive air war) Kosovo (1999-present.) Or in the words of the “Big Dog” himself:

DIMBLEBY: The role of the President is to define during his watch, America’s place in the world and you have talked about crises coming at you all the time. Would you agree that America’s response to crises was very uneven, sent out an uncertain signal. For instance you were prepared to use bombing raids to save Kosovo, you weren’t prepared to lift a finger for Rwanda, where eight hundred thousand people were massacred in a genocide.

CLINTON: Well, I would agree to some extent that the response was uneven, but I would not agree with the characterisation of it. Let me try to give a serious answer to that. It was predictably uneven because at the end of the Cold War, we no longer had a bi-polar world. We had to figure out how we were going to do what I thought we should do. **What I wanted America to do was to be the world’s leading force for peace and freedom and security and prosperity. Helping to integrate this interdependent world in to a more effective global community.**

At the same time, we had obligations that we had inherited from before and we had limits on what we could do. We didn’t go in to Bosnia as quickly as I wanted to, but that was mostly because of initial European reluctance, so I was trying to do two things; I was trying to end the slaughter of the Bosnian War, **but to do it in a way that would increase European integration, and increase the trans-Atlantic partnership...**

(Transcript from Panorama, BBC One June 22, 2004, emphasis mine)

The results in the targets of this democratisation effort are rather mixed. The Haitian government was felled in a later coup supported by the United States. Bosnia Herzegovina and Kosovo were both ethnically cleansed by the local majorities before the end of hostilities, and NATO troops are still present in both territories to ensure the peace. Despite economic aid to Kosovo and Bosnia Herzegovina at a level that dwarfed the assistance to Germany and Japan on a per capita basis, economic growth has also been lacklustre.

Table 9.1

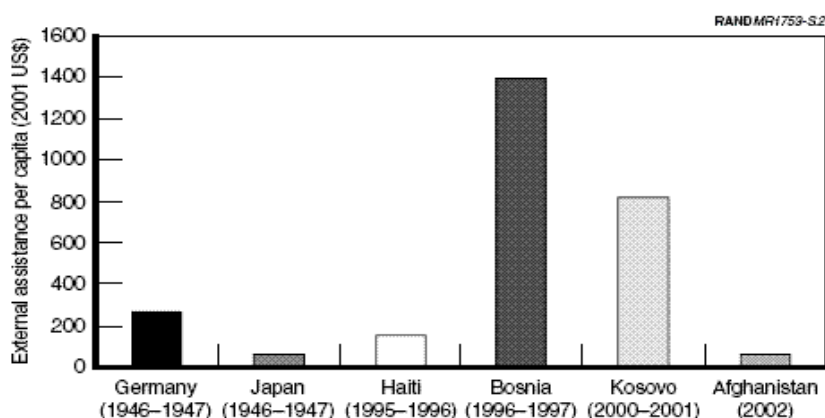


Figure S.3—Per Capita External Assistance

(Source: Dobbins et al. 2003:xviii)

Despite this, the new wave of nation-building was a very welcome tool for integration and realignment of transatlantic ties with the European powers. American willingness to commit itself to Europe’s “back yard” and the (relatively) clear humanitarian nature of these missions made them popular among the Europeans.

The last epoch of American nation-building exercises, during Bush the second, was not as “idyllic.” Despite NATO’s invoking the self defence clause of the NATO charter, thereby affirming the new post-war alliance system, the Bush Administration initially refused to involve the whole of NATO, and instead cherry-picked allies to take part in the war and the later occupation of Afghanistan. This would prove to be only a prelude to the clash between the Allies in the runup to the Iraqi war, however. After trouncing the Iraqi army, the United States and its “coalition of the willing” were quickly engulfed in an urban guerrilla war beyond their control.

With the widening failure of the “neo-colonial” adventure in Iraq, the United States has in a way come full circle from its first colonial exploits. As I have outlined, American military occupations started with the capture of Spain’s American and Pacific colonies, sparking off an intense wave of internal dissent. Then followed a string of interventions in unstable Caribbean nations, driven by a mix of Wilsonian liberalism and the desire to strengthen the American strategic hold over Central America. After withdrawing most overseas troops during the recession era, the United States suddenly found itself with millions of troops in the middle of Europe and all over the Pacific at the end of the Second World War. The Cold War interregnum was

followed by Clinton's neoliberalism, which was mixed with the US attempt at realigning its network of alliances to keep its place as the number one superpower. And finally, the Bush administration decided to return to unilateral policies and to sidestep its formal alliance network. Sparking off a wave of external dissent.

9.b Measures of nation-building success

American military occupations can in general be divided into three distinct categories: Occupations during war, occupations with the goal of annexing territory, and occupations with the goal of creating a client state/friendly regime.

This has, at least after the end of the Cold War, meant a policy of nation-building that can be seen as having five main goals: The absence of war, the reestablishment of a successful monopolisation of violence, positive economic development, (re)introduction of democracy and the increase of institutional capacities. (Zuercher 2006:10-12)

For any foreign occupation, or for that matter any kind of effective rule of a people, some degree of consent from those to be ruled is needed. Max Weber famously said "*a state is a human community that (successfully) claims the monopoly of the legitimate use of physical force within a given territory*". (Weber in Gerth 1946:77-126) In a nation-building exercise, the monopolisation of violence is a pivotal part of the success of the occupying power, following only the cessation of open warfare itself in importance. If the occupying army is not able to quickly and legitimately end open warfare and then monopolise the use of violence, it will be very difficult to use the same army as a tool to reshape the political, social and economic structure of the society it is attempting to control.

The relatively successful monopolising of the "legitimate" use of force in Germany and Japan does separate these occupations from many, but not all, American nation-building exercises. But no American democratisation effort has succeeded where American forces have not been able to reach this basic level of control.

The difference in economic development of Germany and Japan versus other examples of nation-building is frequently put forward as a primary reason for the differences in success. (Bellin 2004:597-598) Germany and Japan were advanced industrialised nations at the time of their occupation. They were, as the economist Luigi Zingales put it, like a business whose factory burnt down. To restart production,

what was needed was only the capital and time to rebuild. He compares this to the situation in Iraq, which has never achieved a comparably advanced level of economic development, and where the social and human capital to get to that level is lacking. (Zingales 2003)

As I have been trying to show, the economic situation in Germany after the war was slightly more complicated. If we are to play along with Zingales comparison, the German factory did not really burn down. It was damaged, but could not get spare parts to repair its machinery, nor raw materials to produce finished goods, due to bureaucratic red tape and hostile officials. Dower (1999) paints the same picture of punitive and inefficient policies in the occupation of Japan. When the economies were finally freed, the phenomenal growth that followed helped to cement the legitimacy of the new ruling parties.

9.c Democratic stability

As has been pointed out in several comparative studies on American nation-building, Germany and Japan had, unlike many of the failed states where the United States has intervened, a history of at least partial democratic rule. (Pey and Kasper 2003; Bellin 599-600)

Nation building in target countries that have had periods of constitutional rule – characterized by the effective rule of law and binding limits on the governments’ power – is more likely to succeed. The importance of such an experience of constitutionalism, however brief, is that political behaviour in these societies is more likely to be subject to the most fundamental rules of governing. Political conflicts get settled through established institutional procedures. (Pei and Kasper 2003)

Despite widely held contemporary views in the West that both Germany and Japan were “authoritarian by nature,” there is no doubt that both countries could draw upon pre-dictatorship democratic political elites to help smooth the transition back into more democratic forms of government. I have discussed the return to power of the Weimar party elites earlier in this thesis, outlining the process as it unfolded in Western Germany.

In the other societies with traces of democratic traditions, the post-conflict political situation was either defined along ethnic or sectarian lines (Bosnia, Kosovo, Iraq, Afghanistan) and/or US military power was willingly or unwillingly turned into

an asset among competing domestic power structures in the occupied country. (Pei and Kasper 2003; Hartlyn 1991)

States that are so weak that an intervention force is required to prevent them from descending into civil war, or where the political elites are so uncommitted to the democratic process that they are prepared to use violence to deal with their opposition, have little in common with the situation in Germany and Japan after the Second World War.

Eva Bellin, among others, have pointed out how the ethnic homogeneity in the two countries made the post-war reconstruction easier. “*Conventional wisdom in the field suggests that some consensus about national identity, that is, some degree of social solidarity, is necessary to prevent the inherently conflictual nature of the democratic process from tearing a country apart.*” (Bellin 2004:598) Germany and Japan (along with Austria and Italy) are unique in that it was not a lack of national identity, but an overabundance of nationalism that led to their defeat and occupation. The goal in Germany and Japan was to weaken nationalism as a force, not to strengthen it, to change the national identity instead of building it up.

An important caveat is that, albeit there was little ethnic strife in Germany and Japan, there was considerable friction between different social and economic classes. (As well as the fault-line between Protestants and Catholics in Germany.) Both in Japan and Germany, the fascist governments preceding the American occupation, have been seen as resulting from an increasingly bitter struggle between working class and middle class and capitalist ideologies. Had there not been an occupation force in place, it is far from unthinkable that a period of severe social unrest or even revolution or civil war could have followed the defeat.

9.d “Institutions matter”

As case after case of failed democratization in the postcolonial world has shown, order is prior to liberty. Before democracy, you must have a state of law, with effective state institutions that can deliver fair, predictable order to citizens. (Bellin 2004:599)

While Hitler’s rule can hardly be called the fairest regime to ever grace the Earth, its bureaucracy was remarkably good at following laws and orders. To a large degree, its bureaucracy was a continuation of the Weimar and Wilhelmian meritocratic rule-

bound administrations. Large parts of this bureaucracy would continue to work under and after the American occupation. The situation was likewise in Japan, where the situation was made even worse for the American occupiers because of a lack of proficient Japanese speakers and experts. While there was significant disruption in the German bureaucracy, especially on the national and state level, the Japanese bureaucracy survived nearly intact. (Pembel 1987; Dower 1999)

Why are state institutions important for (re)building a country? The obvious answer is that they are needed to administer the efficient running of a state. The problem is that it turns out to be very difficult to create effective state institutions. The idea that “institutions matter” has come to the fore within the development policy community after the spectacular collapse of Argentina in 1997. (World Bank 1997; World Bank 2000) This is not a new idea in itself, but it went out of vogue in the post-Cold war neoliberal wave of the 1990’s. International development aid policy was dominated by economists, calling for financial liberalisation and the decrease of the scope of institutions in recipient countries. Argentina was not alone in experiencing a rapid deflation of both the economy and of state control because of this. Large parts of the former Soviet Union and Southeast Asia also experienced spectacular busts. The conclusion seems to be that a nation is only as strong as its state institutions. (Fukuyama 2004:29) Let us look at how to quantify the strength of state institutions.

9.e Institutional scope and strength

The reach of a state’s institutions is decided by two aspects, the scope of the institutions and the strength of institutional capacities. The scope of state institutions refers to the number of different public functions a government seeks to accomplish. An example of state functions is given in The World Bank’s 1997 *World Development Report*, in a list of gradually more challenging state functions:

Table 9.2

Functions of the state:

<u>Minimal functions:</u>	<u>Providing pure public goods:</u> <ul style="list-style-type: none"> - Defense - Law and order - Property rights - Macroeconomic management - Public health <u>Improving equity:</u> <ul style="list-style-type: none"> - Protecting the poor - Antipoverty programs - Disaster relief
<u>Intermediate functions:</u>	<u>Addressing externalities:</u> <ul style="list-style-type: none"> - Education - Environmental protection <u>Regulating monopoly:</u> <ul style="list-style-type: none"> - Utility regulation - Anti-trust <u>Overcoming imperfect information:</u> <ul style="list-style-type: none"> - Insurance - Financial regulation - Consumer protection <u>Providing social insurance:</u> <ul style="list-style-type: none"> - Redistributive pensions - Family allowances - Unemployment insurance
<u>Activist functions:</u>	<u>Coordinating private activity:</u> <ul style="list-style-type: none"> - Fostering markets - Cluster initiatives <u>Redistribution:</u> <ul style="list-style-type: none"> - Asset redistribution

(Source: World Bank 1997)

This is just an attempt at categorising different state functions. What is important is that different functions of the state have different levels of ambition. On this list, the further down you go on the list, the more difficult it is for a state to accomplish the task.

But the scope of state institutions is one thing. How effective the institutions are at accomplishing their tasks is another. Francis Fukuyama defines the strength of

institutional capacities as “*the ability to formulate and carry out policies and enact laws; to administrate efficiently and with a minimum of bureaucracy; to control graft, corruption, and bribery; to maintain a high level of transparency and accountability in government institutions; and, most important, to enforce laws.*” (Fukuyama 2004:12) Again, this is just an attempt at a definition.

A state can choose to have a large scope of state functions, without being very efficient at the tasks. Or it can choose to limit the scope of state functions, despite being strong at what it does. It can be efficient at doing one set of functions while being very weak at doing others.

The problem for an ambitious state wanting to become stronger is that while it is easy to expand the scope of state functions, it is much more difficult to increase the strength of institutional capacities. Pumping resources into weak institutions only leads to inefficiency and graft. Not adequately funding them leads to corruption and bribery.

But how do you build up the strength of state institutions? The short answer is: No one really knows. (Fransisco 2000:45; Woolcock and Pritchett 2002) Fukuyama proposes that strength of state institutions are decided by a mix of four “nested aspects of stateness.” The first aspect consists of the design of the individual organisations and how they are managed. Due to the complex nature of bureaucracy this is specialist knowledge that can not be directly transferred from organisation to organisation or state to state.

Another aspect is how the institutions relate to the state as a whole: What kind of government a nation has, whether it is centralised, federal, the level of politicisation and so forth helps shape the institutions within it.

The legitimacy of the institution and the regime also help decide institutional strength. (As examples, a weak school system or police will be bypassed by the population. A government without legitimacy might weaken its own enforcing arms and therefore threaten its own existence.)

Lastly, cultural and structural factors specific to the specific society in question, shape institutions distinct to the society they grow out of. One simple example would be different cultures acceptance of bribery, or the status of different parts of the bureaucracy within society.

These four aspects are studied in different academic disciplines, and have different degrees of transferability between states, as seen in this table:

Table 9.3

<u>Components of institutional capacity</u>		
<i>Component</i>	<i>Discipline</i>	<i>Transferability</i>
Organisational design and management	Management, Public Administration, Economics	High
Institutional design	Political science, Law Economics	Medium
Basis of legitimisation	Political Science	Medium to low
Social and cultural factors	Sociology, Anthropology	Low

(Source: Fukuyama 2004:42)

As we can see, increasing institutional strength, the core factor in building up a nation, is a complex set of components of different transferability between countries. The strength of a state's institutions is the result of a complex weave of the bureaucratic and political apparatus, constitutional framework and laws, and social and cultural conditions in society in general. But the institutions also need to have legitimacy from the population, both the state apparatus as a whole and the individual parts of it.

9.f Weakening the state

The occupation of Germany, Japan and Austria had one thing in common. The United States was there, not in attempt to turn around and strengthen a weak state, but as a result of winning a war against aggressors.

In this context, it is my view that Germany and Japan are unique. They are the only countries the United States has occupied with a stated policy of weakening the power of the state. Italy was not considered a serious threat in itself and was freed from allied occupation in 1947, after the victory of Christian democrats in the election the year before. (Urwin 1997:12-13; Bevans, 1969) Austria was an insignificant European power, which insisted on being treated as a country that had been occupied by the Nazi's, instead of joining them. Apart from a denazification programme, interference in the occupation zones of the Western Allies in Austria was limited. (Bischof, 1999) The (rather sketchy) plans for the occupation of Iraq seems to be

inspired by the German and Japanese experiences. While US plans in Iraq were generally not as punitive as in Germany and Japan, there was still a wish to “transform” the Iraqi state: To reduce its extensive scope of functions, to free the market and to reduce the security apparatus. Unfortunately the US administrators chose to start with the firing of the Iraqi army and the purging of the Baath members, who were more or less the bureaucratic elite. State power collapsed and the jobless former Army personnel and Baath party members turned into the nucleus in an armed resistance against US troops.

The view that German and Japanese authoritarianism was a generic trait of these cultures was widespread among American policy-makers at the end of the Second World War. To limit the future threat from these two countries it was therefore decided to reduce their industrial capacity and to weaken of their state apparatus through decentralisation and constitutional controls. (Japan still has, at the time of writing, a constitution technically forbidding the country from having a military capacity.)

Like in Japan, the German occupation had the goal of limiting the capabilities of the new German state. The economy and the government were to be decentralised and “democratised”; the military capabilities destroyed. The goal was to limit the economic and foreign policy power of Germany. As the conflict between the US and USSR intensified (and with the help of the stalemate with the French) this was eventually to be accomplished by binding the West German parts into an Atlantic economic and military cooperative sphere.

The Americans hoped to decrease the power of the German state apparatus through two main paths. By decentralising the power structure and encouraging grassroots democracy, they hoped to decrease the institutional power of a future central administration. At the same time, they wished to decrease the scope of state responsibilities. Most notably this included the abolition of military forces. The corporative control over German industry was seen as one of the reasons for the initial success of Germany in the war, and was to be built down too, being replaced with the more “peaceful” free market. There was also to be a clear diminishing of the scope of the state by the fact that the territory to be administered by the new German state was decreased dramatically.

Considering the relative strength and scope of German administrative capabilities, the punitive policies that survived the softening of American attitudes

towards Germany were rather minor. The effect of these policies was also weakened by the fact that the American Military Government was itself a state institution, subject to the same limitations of its powers as other types, as I have outlined above. And as I have tried to outline in this thesis it was in many of its areas quite weak.

Compared to the typical case of American nation-building, the situation in Germany and Japan was completely atypical. Apart from the post-war years and to a certain degree Iraq, the United States has only attempted what I define as nation-building in failed or weak states. Instead of a weakening of the strength of the state, the goal in these countries has been to enormously increase the strength of state institutions, as competent and strong state institutions seems to be essential for viable democracy and economic growth.

If we go back to table 9.3 and look at the model of institutional strength, a military occupation apparatus has to strengthen the indigenous administration on many different levels. The Military Government is itself both an institution of the occupier and the occupied. It needs to straddle the void between two often widely different cultures, while attempting to impose positive change. While it is possible to decrease state capacity (or keeping aloof of it, in the style of British colonial rule) by enforcing it through nothing more than a monopoly on the legitimate use of violence, increasing state capacity is not as simple. *“Peacebuilding is in effect an enormous experiment in social engineering – an experiment that involves transplanting Western models of social, political, and economical organization into war-shattered states in order to control civil conflict.”* (Paris 1997:56)

9.g MG Outcompeted

The problem of developing institutions is exasperated by the danger external organisations may pose to weak state institutions. When outside organisation set up parallel public services (like health care, schools or security) to bypass weak state institutions, they might starve the already weak institutions, ending up weakening them even more. After all, why would a state finance a state institution that has been rendered irrelevant by outside or private institutions. A well known example of this was Mozambique in the 1980's, when non-governmental organisations (ngos) ended up fragmenting the national health care system and starving it for funds, by bypassing it.

In Afghanistan right now there is considerable tension between the central government (which has little capacity to deliver humanitarian relief and services but feels that it should coordinate the effort) and international ngos (which has greater capacity and experience). For the time being, ngos are the most effective channel for delivering aid, but if government institutions are not allowed to take more long-term responsibility, nation building will fail. (Ottaway 2002)

The American Military Government in Germany also had to deal with institutional atrophy. But in the US zone it was mainly the Americans themselves who were being weakened and supplanted by the re-emerging German administrations. As the American war-time army stood down, the specially educated MG officers with German expertise were sent back to the United States. The officers left were often mediocre personnel with no hope of a better paid job back in the United States. The result was that local MG officers often ended up just shuffling on reports from German subordinates with real administrative expertise. According to Peterson (1978: 347-9) OMGUS became captive to German internal political developments because of the lack of institutional strength. Because leaving the decisions to the Germans turned out to be the easiest solution to administrative problems, the American MG was slowly being controlled by the German bureaucrats under its rule.

The military occupation of Japan relied even more heavily on the local administrative apparatus, due to both a lack of administrative personnel and expertise. To the Japanese, the American military governor MacArthur seemed to rule more by charismatic power than through bureaucratic channels. (Dower 1999) Reforms were instituted, and mediated, by the Japanese bureaucracy, after being ordered by the few American MG officers at the top. In Austria as well as in Italy, the indigenous administrative apparatus was strong enough to influence the military governments that ruled them. (Bischof 1999)

10. Conclusion

This work is aimed at establishing whether the US occupation of Germany after the Second World War was a representative case of nation-building.

Other studies have pointed out a series of differences between Germany and Japan on one side and other US military interventions on the other, mainly along the lines of differences in political, economic and social developments in the target country. (Pei and Kasper 2003; Bellin 2004; Fukuyama 2004) But, as I outlined in the introduction, one of the central elements of nation-building is the strengthening of the state apparatus as a tool, so it can handle economic, political and cultural developments.

I have endeavoured to go further in this thesis, asking to what degree the *basic aims and policies* pursued by the United States in Germany and Japan might be considered nation-building. What I found was that Germany and Japan are different from other American-led nation-building exercises in a crucial area, namely the punitive aspect of the occupation.

Concentrating on Germany, I discussed in chapter two and three how US planning and policy had a strong element of punishment and collective judgement at its core. The stated goals of the US occupation were anti-fascist; to rid Germany of its authoritarian tendencies, to punish the Nazi party membership and their supporters, to stop Germany from ever again threatening world peace. I then outlined how this antifascist policy was gradually hollowed out by a wide range of factors involving US politics, German conditions and allied pressure, and eventually converged on a Western consensus of anti-communism.

This study is the first one within the field of nation-building research to point out that US policy in Germany was to *weaken* state power, not to strengthen it. What emerged after the occupation was hardly the Carthagian peace envisioned in the Morgenthau plan. But neither was it the result of a targeted set of reforms to strengthen a nation. And although the goals changed as the occupation progressed, the end product, the West German state, *was* weakened in certain core areas. (Most importantly in central power, military power and geographical reach.)

As I discussed in the introduction, the weakening of the German state, whether by design or by evolution, does not in itself mean that the American occupation of Germany can not be called a nation-building exercise. That judgement depends on

which definition of the term nation-building one chooses to apply. But a definition suited to accurately encompass the German and Japanese cases would in my opinion be very close to also defining imperial or hegemonial client-statism (such as the Soviet control of Eastern Europe) as nation-building.

In this thesis I therefore chose a definition of nation-building as a military intervention where “*the intent was to use military force to underpin a process of democratization.*” (Dobbins et al., 2003:1), and where “[s]uccess is defined as the ability to promote an enduring transfer of democratic institutions.” (Dobbins, et al. 2003:2) The US occupation of Germany can, by this definition, hardly be called a nation-building exercise, at least not until the introduction of JCS 1779 on July 11 1947. (Department of State 1950:33-41) And the definition of success is also arguable, as doubts can be raised about whether the democratic institutions of the *Bundesrepublik* were mainly indigenous or “transferred.” Any lengthy discussion of the occupation of Germany in comparison to these absolute terms is a bit tendentious, however, as by doing so I can be accused of choosing definitions that are deliberately meant to fail. This would, if it were true, ironically be the opposite of what I consider is the case with the work I have quoted the definitions from. As I argue in the introduction the RAND study from whence it came has in my opinion deliberately chosen data and interpretations that strengthen Germany as a case of what they define as nation-building, above and beyond the literature they are referring to.

But even if we move from the abstract definition chosen and to actual cases of American military interventions, we see that none has gone as far in its punitive aspects as the German and Japanese occupations. When the United States has intervened to remove an unwanted ruler, the usual strategy has been to punish the upper leadership, while trying to strengthen the rest of society, usually along democratic lines. The most punitive US interventions outside of Japan and Germany are probably the occupations of Iraq and Afghanistan, where Baath party and Taliban members have been purged from most administrative positions, and where the upper leadership is getting prosecuted. But in no US occupation outside of Germany and Japan has the whole population been a target for judgement. In no other occupations were the economies deliberately kept under check “to instil a sense of defeat,” and plans laid to limit and control the country’s industrial capacity.

10.a Degrees of success

Unfortunately this fundamental difference between the US occupation of Germany and Japan and other American military occupations, does not really tell us anything substantive about how to successfully remould a country along democratic lines. All it does is to raise serious questions about their status as representative cases of US nation-building.

This is important enough, since without the German and Japanese cases, the success-stories of foreign-led nation-building (using the above definition) in general would have been very few and far between. While the reasons for going in might not have been perfectly consistent with a strict definition of nation-building, the end result was nevertheless a stable democratic, market-liberal country. Whether there are elements of the occupation that might be translatable to later nation-building attempts should also be examined.

In the introduction I suggested dividing a nation-building attempt (or a supposed one) into five categories of success, here paraphrased from Zuercher (2006:2); the end of open warfare, successful monopolisation of violence, economic rebuilding, democratic reforms and (re)building state institutions.

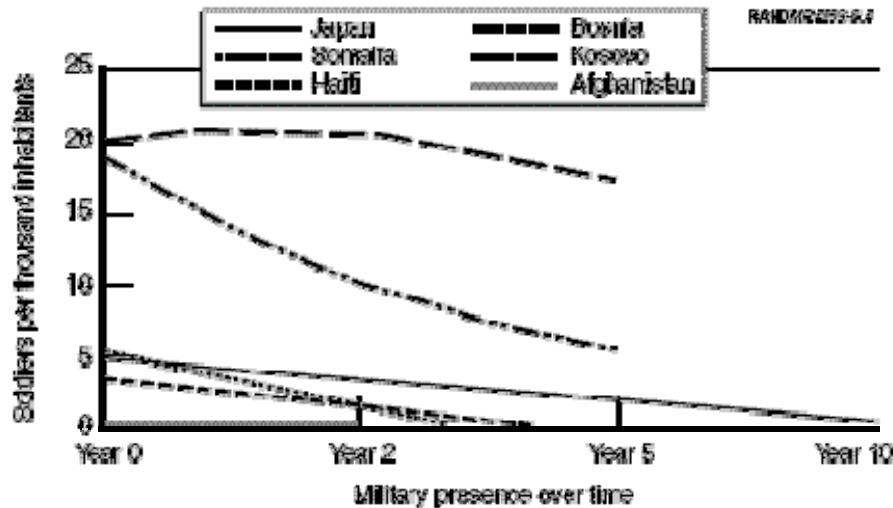
10.b End of fighting

The first two points were undoubtedly unconditional successes in the US occupation of Germany. And they are important points, as no nation-building exercise has had measurable success when it comes to the other factors, where a monopoly of violence and an end to open warfare has not been accomplished. But since these points are usually equally important in *any* occupation, the German experience falls into a wide category of likewise examples throughout military history.

One specific point that might be raised, though, is the issue of force level. The failure to pacify Iraq after the US invasion in 2003 has often been blamed on insufficient force levels to disarm Iraqis and to keep the peace. The US occupation of Germany seems to be a perfect example in so regard. The peacetime occupation started off with 1,6 million troops, a level which was decreased as peace took hold. Unfortunately the other great post-war success, Japan, had a much lower level of occupation troops. While the United States started off with roughly 100 troops per

1000 inhabitants in its German zone of occupation, in Japan there were only 5. And in both occupations the number quickly diminished. (Dobbins et al. 2003:150-151)

Table 10.1



NOTE: Year 0 represents the end of the conflict.

Figure S.1—Military Presence over Time, Excluding Germany

(Source: Dobbins et al. 2003:xvii)

The above numbers are *total* (not only US) troop numbers in these nation-building exercises. Germany is not included, due to the large number of troops early in the occupation. Later the number of troops would settle between 10 and 20 per thousand inhabitants.

What is interesting is comparing these numbers to the Iraqi occupation. Iraq has an estimated population of 26.8 million (CIA World Factbook 2006) and the number of US and Coalition troops in Iraq is at the moment around 150,000, (a number that has been roughly stable during the occupation, and certainly not much lower) according to an August 3 2006 speech by Secretary of Defence Donald Rumsfeld. (globalsecurity.org 2006) This gives roughly 5.6 troops per inhabitant, comfortably ahead of Japan (as well as Somalia and Haiti) on the chart above. Not surprisingly, troop levels are therefore not alone indicative of success. But on the other hand, increasing the initial troop level in Iraq could hardly have made the situation much worse than it is at the present.

10.c Economy

The economic aspects of the occupation of Germany can hardly be called a smashing success, if viewed as part of a nation-building exercise. The original plans were a mix of collective punishment and wishful thinking. Further problems were created by the fact that Germany was never united economically after the war, as was stipulated in the Potsdam agreement, mainly due to the vehement opposition of France, but also due to disagreements between the other allies.

At the same time the United States had as a policy in the first years of the occupation not to take any steps to rebuild the German economy. Active plans were laid to decrease German industrial capacity, as presented in the *Level of Industry Plan*. The US and British zone did receive economic aid, but this went almost exclusively to feed the starving population, and was structured as loans. A raging inflation and a thriving black market made US cigarettes the preferred currency, until the break with the Soviet Union and agreement with France finally made turning West Germany into a single economic unit possible.

The Marshall Aid has become the symbol of US-sponsored economic assistance, but the consensus among economic historians nowadays seems to be that it had less impact on the European recovery at the time than was previously thought. Its main benefit was helping to ease the dollar-shortage among US trading partners in Europe. Also, West Germany got relatively little Marshall Aid money compared to other European nations. (Killick 1997:114-117) Ludwig Erhard's currency reform of early 1948 has, along with the Marshall Plan, been put forward as an explanatory factor for the subsequent economic boom. My view is that both of these had an effect, although mostly symbolically and psychologically. The most important factor was probably the removal of the de facto throttling of the West German economy through zonal division and allied punitive policies.

10.d Democracy

Democratisation is the fourth success criterion of nation-building. German political parties were allowed to form only months after the end of the war. (I will get back to why later.) In the spring of 1946 local elections were held, and later the same year *Land* level elections were held. Country-level elections took a while longer, and only materialised after the break with the Soviet Union and its East German zone, but

when they were held in 1949 they signalled the start of a stable democratic system that survives to this very day.

On the surface this seems like work well done. But as I outlined in the chapter on democratisation, there were considerable misgivings within the US MG about how the democratisation process was progressing. In their opinion, it was happening too fast, and was too anchored in the past. According to US plans, democratisation was supposed to come at the tail end of a thorough denazification and re-education of the Germans, where the goal was to create an American-style loose party structure democratic system with a strong grassroots element.

What did emerge, after the genuine grassroots *Antifa*-movement was suppressed, were the moderate Weimar parties. But as shown in chapter five, OMGUS had only limited options available after banning this leftist movement. The West German political scene can hardly be called a US creation either. It was created in many ways in opposition to the “national” parties in Berlin, which many Germans in the west considered to be controlled by the Soviet Union, and coalesced in the British zone.

The British zone became the focal point for West German political growth because the British were the only Western ally to allow party structures above the Land level. The result was that the leaders and much of the leadership of the by far two biggest parties in West Germany, SPD and CDU, came from the British zone.

Further, the direction of the new *Bundesrepublik* was not set until Adenauer of the CDU/CSU won a surprise victory against the most famous German politician of the occupation era, Kurt Schumacher of the SPD. While Adenauer was happy to tie the new West German state to Western Europe and the United States, Schumacher was advocating a united, neutral Germany built on democratic and socialist principles: A third way between the Soviet and the American systems.

The United States, as well as the other Western allies, had two important weapons in shaping the political future of the *Bundesrepublik*. They could set the limits of the burgeoning federal political system, and they had veto power. These weapons were used actively to keep communists and nationalist forces out of the political system. But these weapons had, by their nature, to be used sparingly, especially towards the end of the process towards statehood. Otherwise the allies might have ended up threatening the legitimacy of the German political institutions.

The extent of the grip over German party developments held by the US MG is a topic too voluminous and detailed for this thesis. What is clear in a comparative perspective is that the democratisation of the *Bundesrepublik* benefited from its democratic past. The biggest parties were reconstituted Weimar parties, complete with Weimar party leadership.

Unfortunately this inheritance from the Weimar era also included some of the autocratic traditions of that era. Adenauer would rule West Germany until 1963 with a firm hand. Not until after his departure from power were many of the issues the United States planners were aiming to deal with, actually confronted head on. During the late 1960's West Germany finally started in earnest the process of dealing with its painful Nazi past. Youths confrontationally asked "What did you do during the war, father?" and rebelled against post-war authoritarianism and demands for conformity.

In Japan, which held its first national elections early into the occupation, the progress towards a fully democratic system might be said still not to be complete. The country has been ruled largely by the same party since the end of the war, and there is continued friction with neighbouring countries over Japan's perceived refusal to deal with its wartime history.

10.e State institutions

I have returned several times to the issue of the limits of US power in its dealings with the Germans and its allies. In many ways this relative powerlessness is the *one* overall theme of the US occupation of Germany. Only after an almost complete breakdown in the relationship with the Soviet Union, were the Americans able to move forward with the creation of a state in the Western zones.

While US powerlessness was most glaring in the allied wrangling over the future of Germany, it was also quite visible in the MG's dealings with the Germans under its control. OMGUS's logistics operation was able (barely) to keep the Germans under US control alive, but other areas of US administration were more problematic. And the weak institutional strength of the MG only got weaker as experienced specially-trained personnel was decommissioned and sent back home, being replaced with often untrained, second-rate officers and troops. The simplest answer to failing MG administration was to "outsource" responsibilities to German subordinates.

Every time OMGUS decided that a new area was to be put into German hands, be it the local administrative apparatus, the economy, denazification and so forth, the Military Government found not only willing, but able German hands to do the job. In the perspective of German history, this willingness is not in itself extraordinary, as the administrative apparatus had a long history of adjusting to change. If we move our perspective from Germany to a world perspective, and compare what was done in Germany with what was attempted in other nation-building exercises, we see how rare this cooperation was.

In Japan, where there was no aggressive purge of members of the old ruling elite like the denazification effort in Germany, the US reliance on indigenous state institutions was even more glaring. The vast majority of the Japanese bureaucracy continued in their job, only switching bosses, after the surrender. (Dower 1999)

In the previous chapter I discussed at length the importance of strong state institutions and the difficulty in building them up, so I will not spend much time recapitulating the issues here. Suffice to say that building and strengthening state institutions is a very complex endeavour that if it is to be successful has to be tailored specifically to the needs, cultural attitudes and conditions of the society in which they are created. One size does not fit all when it comes to state institutions. Luckily for the United States in Germany and Japan, the US was not aiming to strengthen state institutions for the most part. If nation-building history is any guide, such efforts would probably have been doomed to failure.

In absolute terms the Americans were actually interested in weakening these state systems, as they saw the exceptionally strong state systems of Germany and Japan as one of the reasons for the war. Mostly this process involved cutting down on the scope of the state, like banning the military and curbing state “meddling” in the economy. But central administrative power was also attempted curbed, with the goal being a more decentralised, federal system.

One of the problems for OMGUS was that it was both an organisation responsible for German developments, and therefore having to conform to German social and cultural norms and expectations, while at the same time being an American organisation, staffed by and controlled by US interests. It was therefore beholden also to US social and cultural values, and reflected American attitudes towards Germans and the occupation. On top of that, OMGUS had to get agreement from three allies with veto powers and their own widely differing opinions about Germany.

Clearly this put the MG under tremendous pressure, and made the choice of turning over responsibility in more and more areas to the rather servile German administration an obvious choice, since it at least removed one of the problems, the clash of cultures at the lower levels of administration.

During the early occupation, there were clearly problems with leaving administrative tasks to a civil administration that the US intended to purge of Nazi sympathisers and transform into more healthy, American ways. And indeed, the MG preferred to hand over tasks mostly of a punitive nature, so as not to undermine their overall policies. The Germans were tasked with implementing the punitive aspects of the early economic policies, and as the denazification effort turned out to be too massive an undertaking for the MG, this area too was handed over to Germans. Likewise, rebuilding of infrastructure and housing was left in German hands.

As the focus moved from anti-fascism to anti-communism, however, the problems associated with turning over areas of control to the Germans turned into opportunities, simply because the highly efficient German bureaucracy could now be used to its full potential to create a bulwark against the communist threat.

In comparative perspective, what was remarkable about state institutions in Germany and Japan was their exceptional strength. Both countries had highly professionalized bureaucracies with a reach and legitimacy that had few equals in the world at the time. Most US state institutions at the time were feeble in comparison. (A weak state being somewhat of an ideal for large parts of the US electorate.)

If we look at most other nation-building exercises, be they US- or UN-led, they have tended to be held in states with a weak or failing administrative apparatus. In stark contrast to Japan and Germany, there was a massive need to strengthen state institutions in these cases, if they were to handle a move towards stable democracy and economic growth.

Iraq might be said to be somewhat of an exception in this regard. Saddam Hussein's baathist dictatorship had relatively strong state institutions, although they were weakened by the Gulf war and its aftermath, as well as being hampered by corruption, inefficiency and sectarian differences. As I discussed in chapter nine, state institution strength is a complex issue when it comes to Iraq. But whether or not these institutions could have been a tool for change has been rendered moot by the security situation. Without an end to warfare and a monopolisation of violence there is no foundation on which to build democratic institutions. And the relatively weaker Iraqi

state institutions could not handle the policies of the US occupiers, which in certain areas mirrored Germany and Japan. While the German bureaucracy could handle a relatively strict denazification-policy, Iraqi bureaucracy fell apart when the upper echelon Baath party members were purged. (Otterman 2005)

As I stated in the introduction, there is as far as I know no in-depth analysis at the level of this work on the US occupation of Germany as a nation-building exercise. The closest study in that regard is the RAND case study on Germany and other post-World War Two nation-building exercises. (Dobbins et al. 2003) discussed in the introduction. Shorter and less detailed than mine, and in my view with problematic aspects both in its approach and its conclusions, it offers a relatively rosy view of the applicability of lessons from Germany to future nation-building exercises.

I do not share this optimism. Even calling the American occupation of Germany a nation-building exercise seems a gross simplification. The main accomplishment of the occupation seems to have been the restoration of law and order, and the subsequent blocking of anti-democratic forces on the left as well as the right from a say in the Western zones. Subsequent developments were in many ways based on already existing German traditions and institutions, not on imposed external ones. To what degree the monopolisation of the means of violence is really transferable to all other cases is, however, not clear.

10.f Historical perspective

If viewed purely as a historical work, this thesis does not really scour the hidden depths of the US occupation of Germany nor bring a lot of new information to the table. My main original contributions in my historical overview of the American occupation of Germany (as opposed to the nation-building aspects listed above), is in my opinion to explain the early occupation not as a concerted effort at running away from the Morgenthauian policies enforced on the MG by Washington in the last days of the war, but as a rear end of a distinct period of time, where anti-fascism had won precedence over anti-communism as the chief ideological foe of the United States. As I have described, there is a connection between the anti-fascism of the war and the anticommunism of the period after World War One and the Cold War, and the United States used this fear of fascism to legitimise its presence in Germany.

The relatively early start of political activity and elections on the local level are often seen as examples of a softening of relations with the Germans. A point

rarely given its proper weight is, in my view, that the Soviets started democratisation by a surprise legalisation of political parties in their zone right before the Potsdam conference, leaving the Western allies scrambling to respond. Since both OMGUS and German administrators in the US zone considered it too soon to restart parties and hold elections at this time, it seems fair to assume that this would have happened later if it had not been for the Soviet initiative. How much later is impossible to say. Because of US policies of disallowing parties above the *Land* level, most of the political organisations in the Western zones coalesced in the British *Länder*. It therefore seems safe to conclude that the US hardly took a lead in democratisation in this first period of the occupation. The *Level of Industry plan* of 1946 is also an indication that the antifascist, punitive policies of what I have called The Moral Occupation was not yet over.

The second period of occupation, roughly from mid-1947 and onward I interpret mainly in line with the literature I list in the introduction, seeing it as a relatively rapid change of focus to anti-communism, a general turn of US policy towards British views, working out an agreement with France and handing power back to the Germans. Some might argue that this period is the one where a discussion of nation-building should be concentrated. This seems rather tendentious, however, as the process was one of Germans being freed from foreign occupiers. Nation-building reforms were basically limited to telling the German administrative apparatus and political forces when they were to take over their own affairs. (With the stick of veto power hanging in the background.)

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