Western Germany has very greatly progressed since the surrender

BEING HERE on a rather hurried trip in connection with certain administrative problems in Germany which arise out of the impending transfer of authority from Military to Commission Government, I have been asked to give you some impressions I have gathered from my relatively short stay there.

Many who have been in Germany have reported to the American people their impressions. American correspondents and commentators are daily reporting on conditions in Germany. I do not know that I can add much to the picture they have already given you.

There are many evidences that the American people sense the play of great forces about Germany today and are fully aware of the deep significance to the United States of the future development of that country. Too often forces generated in Germany have deflected the people of the United States from their normal peaceful pursuits.

THE MEMORY of terrible brutalities inflicted on innocent people has almost become subconsciously associated with the mention of Germany and Germany's leaders in the minds of Americans. Incidentally, I have felt that many right-minded Germans still do not fully realize the mistrust which still pervades the world regarding their country. The result is a determination to remove permanently the menace of further German militarism and intolerance.

At the same time the American people have an enlightened and firm desire to see the German people repair their wounds and restore themselves to a useful and constructive position in the community of nations. As yet we have no peace treaty and we have a divided country ruled by widely divergent motives. There are pulls and hauls of policy as a result of this situation all of which can very rapidly be sensed after a very short stay in the country, yet Western Germany has very greatly progressed since the surrender.

General Clay, my predecessor, has stated that the punitive stage of our occupation of Germany has about ended. We are entering now upon a new stage. We are about to permit the people of Western Germany to set up a government of their own selection. In a few days an election to choose the legislators of the new state will take place, and shortly thereafter the new government will be formally instituted.

I HAVE referred to the misgivings which remain in peoples minds as to how the new Germany will devote itself to peace, because I suppose that the question that I am most frequently asked in the short time since my return from Germany is whether I feel that there are signs of a dangerous revival of Nazism or nationalism in Germany.

The related question which I am also frequently asked is whether the economic recovery of Germany is attended by any danger to the security of the western European nations.

Let me attempt to give you my first impressions on both of these questions.

FIRST, AS to the growth of nationalism, certainly many people in Germany are growing more assertive than they have been at any time since the close of the war; there is more to eat, at least in the Western Zone and, as the fear of starvation and the shock of a total military defeat have receded, people are beginning to assert themselves more than they were disposed to when they were hopeless, hungry and absorbed only in finding a living among the rubble.

In spite of their defeat, the German people remain patriotic, and the great majority of them feel imposed upon when they are blamed for what they consider to be the faults of others whose policies they are now prepared to disclaim.

I DO NOT believe Nazism as such is being revived; I do not believe that new leaders today would get far if they really attempted to resurrect Nazism or glorify Hitler. All that is too closely associated with defeat and disgraceful acts.

Yet there is another sign and a much more hopeful one. There is now, in Western Germany at least, a determined and strong group who are truly devoted to the concept of a peaceful nonaggressive Germany. There is a strong core of freedom-seeking people among the general population, and they have earnestly cooperated in the efforts made to democratize the country. They are to be found among the liberals, among labor, as well as among what the Communists love to call the "bourgeois."

ALL THESE would set their face hard against the revival of any purely militaristic or Nazi cult. I would guess that they would not be easily overwhelmed by the old forces of militarism and Nazism.

Yet it is a fact that today, roughly speaking about 30 percent of the more important positions in government and industry are occupied by men who were formerly Nazi followers. This varies with localities, and my figures are not exact.

Generally speaking, these men are not former activists though, here and there, they crop up too. The group I speak of is made up of followers, collaborators, people who were definitely non-resisters to the Nazi regime; but in judging them, bear in mind that there were relatively few who did resist; bear in mind the old German concept of authority and blind obedience to all officials and to the state, and the heavy penalties meted out for resistance; and bear also in mind that many who did resist are now dead. Out of the 45,000,000 in the Western Zone, there is no doubt that far more than 30 percent went along, so to speak, with Nazi domination.

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NOW, HOWEVER, by our own rules, after having originally cleared out all Nazis, German courts are trying the less virulent ones, and after the courts have cleared them whether by acquittal, by fine, or other punishment, the defendants are restored to civil activity. Until recently these people were ostracized entirely from such activities. They did not have the opportunity of participating in the political or industrial life of their communities.

Since these clearances all occurred recently, it is natural that the large percentage of the newcomers in the field are of this class. I do not think this fact by itself is a bad omen. Indeed, it would be a bad omen, I believe, if all those who had been Nazi followers were permanently excluded from engaging in the normal activities of citizens.

I am not speaking of the Nazis who committed acts of such a nature that their crimes must in all decency be required, but these apart, we are coming to the time, and I think it is presently upon us, when we must test the German people more on their present disposition than upon what they did or did not do ten or fifteen years ago.

NOW AS to the matter of economic recovery; what I have seen of Germany in my first weeks of office contrasts vividly with what I saw in 1944 and 1945 when I was last there. Trade is moving, chimneys are smoking, and generally there is less shabbiness, less dirt, and less despair about. The rather phenomenal growth of Germany's trade and production in the last year is something for which we should be deeply thankful.

My fervent hope is that all this will last. There is no menace in recovery; there would be, more than a menace if none occurred; but the recovery, phenomenal, as it is, has left some severe problems in its wake—lack of capital funds for investment, unemployment, high prices—all these exist in spite of the upward production curves on the charts.

Germany has lost many productive territories—for example Silesia, the Saar and East Prussia. The country itself remains divided, one part of which is heavily depressed. The population in the Western Zones has greatly increased as a result of the expulsions or flights from the eastern territories.

Although the production figures show 80 to 90 percent of the 1936 level, we know that countries in Europe which have been able to get their production up to as high as 140 percent of 1936 are still in trouble economically. This leaves a wide gap indeed between the German level of production and what certain of Germany's competitors have attained.

IT IS ALSO significant that the exports of Western Germany are roughly estimated to be only 25 percent of what they were prewar. We should also bear in mind that there will be coal control boards, steel control boards, a Ruhr authority, the Military Security Board, to mention only certain of the supervisory bodies. I believe with these there is not much reason to fear that the revival of the present Western German economy will lead to a new German aggression. The essential security is our resolution to act in timely fashion if and when we see real signs of German militarism returning. We must remember that it was not lack of knowledge of what Germany was doing in the Hitler days that held our hand, it was Allied irresolution.

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Following the prepared address, Mr. McCloy answered four questions by Mr. Lesueur. In the following text, the questions are in italics.

Have you any comment on the recent statements of German political leaders which are critical of occupation authorities and occupation policies?

While I suppose one can expect some rather loose and indeed demagogic statements to be a natural phenomena of any political campaign, I must say that I am disappointed in the emphasis which seems to have been placed by certain political leaders in Germany on "pin-pricking" the occupation.

With so many tremendous problems facing the new German government, with all of the substantial issues which attend the formation of that government, and with the vital necessity for objective consideration of those problems and issues, one could reasonably hope that more time and discussion would be directed to such matters.

Their leaders realize, even if the German people as a whole have not yet been fully made aware of the fact, that but for the forces of occupation and but for the treasures which are being poured into Germany in order to insure that the people are fed and well-maintained, their condition would be as precarious and miserable as it was in 1945.

While no occupation is popular and I do not suppose any of the occupation authorities except to be popular, the fact is that the occupation by the Western Powers is assisting the German people to recovery and that it will last just as long as and no longer than we feel it is necessary to accomplish our objectives.

There has been considerable question about the future status of Berlin due in part to announcements that there was to be some consolidation of Military Government personnel in Frankfurt, the raising of the airlift, and the meeting of the Bonn legislature. Does this indicate that we are in any way abandoning Berlin, or placing less emphasis upon our position there?

No... If anything, I believe our position in Berlin is strengthened. The mere shift of some Military Government personnel for administrative convenience from Berlin to the Frankfurt area has absolutely no relation to our policy in regard to Berlin.

We shall continue to maintain our forces and a strong staff in Berlin. General Maxwell Taylor... has been placed in command there... I expect to maintain a residence and offices in Berlin and to be there frequently. The airlift has diminished due to the size of the stockpile of food and supplies we have built up in Berlin. All installations are maintained so that within a short time it could operate again should it ever be necessary to call it forth.

We hope to assist our sector in Berlin to attain greater economic activity. This is difficult to accomplish but I hope before long we shall be able to announce some measure of ECA assistance which will help the city attain greater business activity.

Now that the transfer from Military Government to Commission rule is contemplated, will there be any lessening of the security measures now in force in Germany?

Of course the Army will be maintained in Germany even though the form of administration is changed from Military Government to Commission rule. The armed forces are distributed in Western Germany as they have been heretofore, and they will be maintained at their present high state of efficiency and alertness.

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