

# POTSDAM PROTOCOL

## TREATY AT A GLANCE

### *Completed*

August 2, 1945, at Potsdam, Germany

### *Signatories*

Soviet Union, the United States, and Great Britain

### *Overview*

Product of the Potsdam Conference (July 17–August 2, 1945), the Potsdam Protocol created the mechanism for concluding peace treaties with Italy and the minor Axis powers, finalized plans for the military occupation of Germany, agreed upon German disarmament, and called for the trial and punishment of leading Nazis as war criminals.

## Historical Background

The Potsdam Conference was the final Allied summit of World War II. It followed the defeat of Germany and came on the eve of Japan's surrender.

Following the earlier Yalta Conference, Franklin Roosevelt was exhausted and sought recuperation at his Warm Springs, Georgia, spa. He died there on April 12 of a cerebral hemorrhage, and thus Harry S Truman represented the United States at Potsdam. Britain's Winston Churchill, having led his nation through the darkest days of the war, participated at Potsdam. When Churchill was ousted in the July general elections, however, he was replaced by the new prime minister, Clement Attlee, before the conference ended. Of the original "Big Three," only Stalin signed the protocol.

## Terms

Article 1 of the Protocol established a Council of Foreign Ministers to attend to the work of concluding treaties with Italy and the lesser Axis powers:

### I. ESTABLISHMENT OF A COUNCIL OF FOREIGN MINISTERS

A. The Conference reached the following agreement for the establishment of a Council of Foreign Ministers to do the necessary preparatory work for the peace settlements:

1. There shall be established a Council composed of the Foreign Ministers of the United Kingdom, the Union of Soviet Socialist Republics, China, France, and the United States.

2. (i) The Council shall normally meet in London, which shall be the permanent seat of the joint Secretariat which the Council will form. . . .

3. (i) As its immediate important task, the Council shall be authorized to draw up, with a view to their submission to the United Nations, treaties of peace with Italy, Rumania, Bulgaria, Hungary and Finland, and to propose settlements of territorial questions outstanding on the termination of the war in Europe. The Council shall be utilized for the preparation of a peace settlement for Germany to be accepted by the Government of Germany when a Government adequate for the purpose is established.

(ii) For the discharge of each of these tasks the Council will be composed of the Members representing those States which were signatory to the terms of surrender imposed upon the enemy State concerned. For the purposes of the peace settlement for Italy, France shall be regarded as a signatory to the terms of surrender for Italy. Other Members will be invited to participate when matters directly concerning them are under discussion.

(iii) Other matters may from time to time be referred to the Council by agreement between the Member Governments.

4. (i) Whenever the Council is considering a question of direct interest to a State not represented thereon, such a State should be invited to send representatives to participate in the discussion and study of that question.

(ii) The Council may adapt its procedure to the particular problems under consideration. In some cases it may hold its own preliminary discussions prior to the participation of other interested States. In other cases, the Council may convoke a formal con-

ference of the States chiefly interested in seeking a solution of the particular problem.

B. It was agreed that the three Governments should each address an identical invitation to the Governments of China and France to adopt this text and to join in establishing the Council. . . .

Article 2 established the principles that would govern the military occupation of Germany and set forth a policy popularly called "denazification," the removal of prominent Nazis from public office. Moreover, in conjunction with Article 6 (calling for war crimes trials), Article 2 called for the arrest and punishment of war criminals and leading Nazis (in effect, *de facto* war criminals):

## II. THE PRINCIPLES TO GOVERN THE TREATMENT OF GERMANY IN THE INITIAL CONTROL PERIOD

### A. Political Principles

1. In accordance with the Agreement on Control Machinery in Germany, supreme authority in Germany is exercised, on instructions from their respective Governments, by the Commanders-in-Chief of the armed forces of the United States of America, the United Kingdom, the Union of Soviet Socialist Republics, and the French Republic, each in his own zone of occupation, and also jointly, in matters affecting Germany as a whole, in their capacity as members of the Control Council.

2. So far as is practicable, there shall be uniformity of treatment of the German population throughout Germany.

3. The purposes of the occupation of Germany by which the Control Council shall be guided are:

(i) The complete disarmament and demilitarization of Germany and the elimination or control of all German industry that could be used for military production. . . .

(ii) To convince the German people that they have suffered a total military defeat and that they cannot escape responsibility for what they have brought upon themselves, since their own ruthless warfare and the fanatical Nazi resistance have destroyed German economy and made chaos and suffering inevitable.

(iii) To destroy the National Socialist Party and its affiliated and supervised organizations, to dissolve all Nazi institutions, to ensure that they are not revived in any form, and to prevent all Nazi and militarist activity or propaganda.

(iv) To prepare for the eventual reconstruction of German political life on a democratic basis and for eventual peaceful cooperation in international life by Germany.

4. All Nazi laws which provided the basis of the Hitler régime or established discrimination on grounds of race, creed, or political opinion shall be abolished. No such discrimination, whether legal, administrative or otherwise, shall be tolerated.

5. War criminals and those who have participated in planning or carrying out Nazi enterprises involving or resulting in atrocities or war crimes shall be arrested and brought to judgement. Nazi leaders, influential Nazi supporters and high officials of Nazi organizations and institutions and other persons dangerous to the occupation or its objectives shall be arrested and interned.

6. All members of the Nazi Party who have been more than nominal participants in its activities and all other persons hostile to Allied purposes shall be removed from public and semi-public office, and from positions of responsibility in important private undertakings. Such persons shall be replaced by persons who, by their political and moral qualities, are deemed capable of assisting in developing genuine democratic institutions in Germany.

7. German education shall be so controlled as completely to eliminate Nazi and militarist doctrines and to make possible the successful development of democratic ideas.

8. The judicial system will be reorganized in accordance with the principles of democracy, of justice under law, and of equal rights for all citizens without distinction of race, nationality or religion.

9. The administration of Germany should be directed towards the decentralization of the political structure and the development of local responsibility. To this end:

(i) local self-government shall be restored throughout Germany on democratic principles and in particular through elective councils as rapidly as is consistent with military security and the purposes of military occupation;

(ii) all democratic political parties with rights of assembly and of public discussion shall be allowed and encouraged throughout Germany;

(iii) representative and elective principles shall be introduced into regional, provincial and State (*Land*) administration as rapidly as may be justified by the successful application of these principles in local self-government;

(iv) for the time being, no central German Government shall be established. Notwithstanding this, however, certain essential central German administrative departments, headed by State Secretaries, shall be established, particularly in the fields of finance, transport, communications, foreign trade and industry. Such departments will act under the direction of the Control Council.

10. Subject to the necessity for maintaining military security, freedom of speech, press and religion shall be permitted, and religious institutions shall be respected, Subject likewise to the maintenance of military security, the formation of free trade unions shall be permitted.

A second part of Article 2 established the economic principles of the occupation. These included prohibiting arms production, developing agriculture

and "peaceful domestic industries," speedily repairing the essential infrastructure, and (in contrast to the spirit prevailing at the time of the TREATY OF VERSAILLES [1919] ending World War I) establishing reparations that would "leave enough resources to enable the German people to subsist without external assistance":

*B. Economic Principles*

11. In order to eliminate Germany's war potential, the production of arms, ammunition and implements of war as well as all types of aircraft and sea-going ships shall be prohibited and prevented. Production of metals, chemicals, machinery and other items that are directly necessary to a war economy shall be rigidly controlled and restricted to Germany's approved post-war peacetime needs to meet the objectives stated in paragraph 15. Productive capacity not needed for permitted production shall be removed in accordance with the reparations plan recommended by the Allied Commission on Reparations and approved by the Governments concerned or if not removed shall be destroyed.

12. At the earliest practicable date, the German economy shall be decentralized for the purpose of eliminating the present excessive concentration of economic power as exemplified in particular by cartels, syndicates, trusts and other monopolistic arrangements.

13. In organizing the German economy, primary emphasis shall be given to the development of agriculture and peaceful domestic industries.

14. During the period of occupation Germany shall be treated as a single economic unit. To this end common policies shall be established in regard to:

- (a) mining and industrial production and its allocation;
- (b) agriculture, forestry and fishing;
- (c) wages, prices and rationing;
- (d) import and export programmes for Germany as a whole;
- (e) currency and banking, central taxation and customs;
- (f) reparation and removal of industrial war potential;
- (g) transportation and communications.

In applying these policies account shall be taken, where appropriate, of varying local conditions.

15. Allied controls shall be imposed upon the German economy but only to the extent necessary. . . .

16. In the imposition and maintenance of economic controls established by the Control Council, German administrative machinery shall be created and the German authorities shall be required to the fullest extent practicable to proclaim and assume administration of such controls. . . .

17. Measures shall be promptly taken:

- (a) to effect essential repair of transport;
- (b) to enlarge coal production;
- (c) to maximize agricultural output;

and

(d) to effect emergency repair of housing and essential utilities.

18. Appropriate steps shall be taken by the Control Council to exercise control and the power of disposition over German-owned external assets not already under the control of United Nations which have taken part in the war against Germany.

19. Payment of reparations should leave enough resources to enable the German people to subsist without external assistance. In working out the economic balance of Germany the necessary means must be provided to pay for imports approved by the Control Council in Germany. The proceeds of exports from current production and stocks shall be available in the first place for payments for such imports. . . .

Article 3 went on to define the parameters of German reparations:

III. REPARATIONS FROM GERMANY

1. Reparation claims for the U.S.S.R. shall be met by removals from the zone of Germany occupied by the U.S.S.R., and from appropriate German external assets.

2. The U.S.S.R. undertakes to settle the reparation claims of Poland from its own share of reparations.

3. The reparation claims of the United States, the United Kingdom and other countries entitled to reparations shall be met from the Western zones and from appropriate German external assets.

4. In addition to the reparations to be taken by the U.S.S.R. from its own zone of occupation, the U.S.S.R. shall receive additionally from the Western zones:

(a) Fifteen per cent of such usable and complete industrial capital equipment, in the first place from the metallurgical, chemical and machine manufacturing industries as is unnecessary for the German peace economy and should be removed from the Western zones of Germany, in exchange for an equivalent value of food, coal, potash, zinc, timber, clay products, petroleum products, and such other commodities as may be agreed upon.

(b) Ten per cent of such industrial capital equipment as is unnecessary for the German peace economy and should be removed from the Western zones, to be transferred to the Soviet Government on reparations account without payment or exchange of any kind in return.

Removals of equipment as provided in (a) and (b) above shall be made simultaneously. . . .

8. The Soviet Government renounces all claims in respect of reparations to shares of German enterprises which are located in the Western zones of Germany as well as to German foreign assets in all countries except those specified in paragraph 9 below.

9. The Governments of the U.K. and U.S.A. renounce all claims in respect of reparations to shares of German enterprises which are located in the Eastern zone of occupation in Germany, as well as to German foreign assets in Bulgaria, Finland, Hungary, Rumania and Eastern Austria. . . .

Article 4 divided the vessels of the German navy and merchant marine between the three signatory powers. Article 5 addressed details of the proposed western frontier of the Soviet Union. Article 6 called for war crimes trials to begin at the earliest possible date. Articles 7 and 8 addressed the disposition of Austria and Poland:

#### VII. AUSTRIA

The Conference examined a proposal by the Soviet Government on the extension of the authority of the Austrian Provisional Government to all of Austria.

The three Governments agreed that they were prepared to examine this question after the entry of the British and American forces into the city of Vienna.

It was agreed that reparations should not be exacted from Austria.

#### VIII. POLAND

##### A. Declaration

We have taken note with pleasure of the agreement reached among representative Poles from Poland and abroad which has made possible the formation, in accordance with the decisions reached at the Crimea Conference, of a Polish Provisional Government of National Unity recognized by the Three Powers. The establishment by the British and the United States Governments of diplomatic relations with the Polish Provincial Government of National Unity has resulted in the withdrawal of their recognition from the former Polish Government in London, which no longer exists.

The British and United States Governments have taken measures to protect the interest of the Polish Provisional Government of National Unity as the recognized Government of the Polish State in the property belonging to the Polish State located in their territories and under their control, whatever the form of this property may be. They have further taken measures to prevent alienation to third parties of such property. All proper facilities will be given to the Polish Provisional Government of National Unity for the exercise of the ordinary legal remedies for the recovery of any property belonging to the Polish State which may have been wrongfully alienated.

The Three Powers are anxious to assist the Polish Provisional Government of National Unity in facilitating the return of Poland as soon as practicable of all Poles abroad who wish to go, including members of the Polish armed forces and the Merchant Marine. They expect that those Poles who return home shall be accorded personal and property rights on the same basis as all Polish citizens.

The Three Powers note that the Polish Provisional Government of National Unity, in accordance with the decisions of the Crimea Conference, has agreed to the holding of free and unfettered elections as soon as possible on the basis of universal suffrage and secret ballot in which all democratic and anti-Nazi parties

shall have the right to take part and to put forward candidates, and that representatives of the Allied press shall enjoy full freedom to report to the world upon developments in Poland before and during the elections.

##### B. Western Frontier of Poland

In conformity with the agreement on Poland reached at the Crimea Conference the three Heads of Government have sought the opinion of the Polish Provisional Government of National Unity in regard to the accession of territory in the north and west which Poland should receive. The President of the National Council of Poland and members of the Polish Provisional Government of National Unity have been received at the Conference and have fully presented their views. The three Heads of Government reaffirm their opinion that the final delimitation of the western frontier of Poland should await the peace settlement.

The three Heads of Government agree that, pending the final determination of Poland's western frontier, the former German territories east of a line running from the Baltic Sea immediately west of Swinamunde, and thence along the Oder river to the confluence of the western Neisse river and along the western Neisse to the Czechoslovak frontier, including that portion of East Prussia not placed under the administration of the Union of Soviet Socialist Republics in accordance with the understanding reached at this Conference and including the area of the former Free City of Danzig, shall be under the administration of the Polish State and for such purposes should not be considered as part of the Soviet zone of occupation in Germany.

Article 9 called for the conclusion of treaties with Italy and minor Axis powers, as provided for in the REPORT OF THE YALTA (CRIMEA) CONFERENCE. It also proposed opening the "United Nations Organization" to "all . . . peace-loving States who accept the obligations contained in the present Charter." They opposed the membership of Spain, however, on the grounds that its present government had "been founded with the support of the Axis powers":

In view of its origins, its nature, its record and its close association with the aggressor States, [it does not] possess the qualifications necessary to justify . . . membership.

The balance of the protocol dealt with questions of territorial trusteeship; revision of Allied Control Commission procedures in Romania, Bulgaria, and Hungary; the disposition of oil equipment in Romania; the withdrawal of Allied troops from Iran; a pledge to create an International Zone in Tangier; and a resolution to revise an agreement on the Black Sea Straits. The most important matter concerned the "orderly transfer of German populations":

The three Governments, having considered the question in all its aspects, recognize that the transfer to Germany of German populations, or elements thereof, remaining in Poland, Czechoslovakia and Hungary, will have to be undertaken. They agree that any transfers that take place should be effected in an orderly and humane manner.

### Consequences

The protocol hardly began to suggest the scope of the enormous refugee and "displaced person" crisis cre-

ated by World War II. As a whole, it barely hinted at the profound ideological differences motivating the Western and Eastern Allies at the end of the war. Still, with the USSR and the Western nations disagreeing on several major issues (the amount of German reparations, the ultimate boundaries and political unification of Germany, the future governments of eastern Europe, and Soviet demands in the Mediterranean region), the conference clearly foreshadowed the coming cold war.