

FINANCIAL AND PROPERTY CONTROL  
TECHNICAL MANUAL  
PROPERTY CONTROL PART

## Table of Contents

## Section I—Functional Instructions

	Para. No.
I. Purpose of Manual	1
II. Objectives in Mobile Period	2-3
III. Definitions :	
Property Control	4
Property Control Branch	5
Military Government Officer	6
Property Control Officer	7
Chief Property Control Officer	8
Property Funds	9
Business Enterprise	10
Military Government Funds	11
Technical Channels	12
IV. General Plan	13-15
V. Organizational and Operational Duties of P.C.Os.	16-19
VI. Special Instructions :	
Property Funds	20-22
Contracts	23-24
Fees and Allowances to Custodians	25
Blocking Control :	
General	26
Specific Duties of M.G.Os. and P.C.Os. with respect to Blocking Control	27
 Section II—Property and Accounting Records	
VII. Property Records :	
Basic Property Records	28
Notice of Custody	29
Property Record	30
Record of Property Transactions	31
Property File	32
VIII. Property Control Accounting :	
Responsibilities for Property Control Accounting	33
Property Transactions other than Cash Transactions	34
New or other Accounting System	35
IX. Cash Accounting System :	
Basic Cash Accounting Records	36
Receipt Voucher	37
Payment Voucher	38
Cash Report	39
Cash Book	40
Property Cash Accounts	41
Summary of Property Cash Accounts	42
Cash on Hand	43
Operation of Bank Account	44
Handing Over and Taking Over Property Funds	45
Monthly Reports and Details	46
X. Auditing :	
Records of the M.G.O. and P.C.O.	47

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 Entry SHAEF (49)  
 File Mil Govt, Germ,  
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XI. General Instructions :		Para.
Debts Owed by the Owner of Property .. .. .	..	No. 48
Physical Inventories .. .. .	..	49
XII. Maintenance of Files of Property and Accounting Records by Deputy Chief Property Control Officers :		
General .. .. .	..	50-52
Property Serial Numbers .. .. .	..	53-58
Property Files .. .. .	..	59-60
Locator Files .. .. .	..	61-63
Forms :		Appendix
Property Control Letter of Instruction No. 1 (Form MG/PCO/IBE/1) .. .. .	..	"
Notice of Custody (Form MG/PC1) .. .. .	..	"
Property Record (Form MG/PC2) .. .. .	..	"
Record of Property Transactions (Form MG/PC3) .. .. .	..	"
Receipt Voucher (Form MG/PC4) .. .. .	..	"
Payment Voucher (Form MG/PC5) .. .. .	..	"
Cash Report (Form MG/PC6) .. .. .	..	"
Cash Book (Form MG/PC7) .. .. .	..	"
Property Cash Account (Form MG/PC8) .. .. .	..	"
Summary of Property Cash Accounts (Form MG/PC9) .. .. .	..	"

**Chapter VIII  
 PROPERTY CONTROL**

**Introduction**

**I. Purpose of Property Control Technical Manual**

1. (a) The material included in this part of the F. & P.C. Technical Manual is in addition to that given in the Finance and Property Control Chapter of the Handbook for Military Government in Germany and is for the guidance of Military Government Officers (M.G.Os.) exercising property control functions and Property Control Specialist Officers (P.C.Os.) at all levels.

(b) Section I deals with Functional Instructions. Section II deals with Property and Accounting Records. The instructions and directions contained herein relate to the mobile period of Military Government, that is, both before and after surrender (sometimes referred to as the Operational Period or Phase I of the occupation of Germany). This Manual covers the mobile period, as contrasted with the later or static period (sometimes referred to as Phase II of the occupation of Germany). Directions will be issued for the static period at a later time.

**II. Objectives in Mobile Period**

2. A general objective of the property control function of Military Government during the mobile period is to lay the ground work for its full operation in the static period. Property Control will not attempt to perform its function in all its varied aspects in the mobile period.

3. It will not be possible at the outset to take control of all properties subject to Property Control by Military Government. However, certain properties will be taken into control immediately, e.g., headquarters and party property used for party purposes of the Nazi Party and its affiliated, attached, controlled and supervised organizations, prima facie loot from outside Germany and abandoned

properties of sufficient importance and value to warrant control (see Property Control Check list in Appendix). In order to conform property control policies to the military situation, authority will determine, within the limitation of then available personnel, the priorities with respect to taking other categories of properties into control and will issue appropriate instructions.

**Section I—Functional Instructions**

**III. Definitions**

4. (a) "Property Control" is a phrase of special meaning which denotes the custodianship or possession of property which a Military Government, i.e., the G-5 Financial organization assumes over specified categories of property (Military Government Law 52). Within certain limits the property is controlled by the Military Government in place of the owner's control. Military occupation property and the uses thereof may be otherwise regulated or controlled, e.g., orders requiring the deposit of transmitters or fire arms, prohibitions on the right to use tractors to manufacture munitions, etc. These types of control, however, are NOT what is meant by Property Control. Property Control involves the taking into custody of property by Property Control personnel of the G-5 Financial organization. Thus the freezing or blocking of bank accounts or the deposit of foreign exchange or the use of property by the armed forces under requisition, seizure or confiscation, are not Property Control because Property Control personnel do not take such property into control, custody or possession. If such deposited, blocked, seized, requisitioned or confiscated properties are later delivered to Property Control, or to an enterprise under Property Control, or designated by it to be entered under Property Control, or designated by it to be entered under Property Control as that concept is herein. "Property Control" does NOT include the use or operation of properties by the Army or Navy, e.g., the operation of railroads by the Transportation Corps, of P.T. & T. equipment by the Army Corps of docks by the Navy, the use of a house by the Army for office or billeting purposes, the use of property by Military Government for offices.

(b) It is to be noted that the word "control" as applied to property is used in two senses. With respect to blocking of foreign exchange controls, the word "control" refers to the technical whereby restrictions are imposed on the owner's use or access to property, but Military Government will probably not take property into its custody nor use it. As used in the subject of Property Control, the word "control" is used to describe different techniques and procedures which are employed in taking certain properties into varying degrees of custody by the Property Control part of the G-5 Financial Branch of Military Government.

5. *Property Control Section or Branch (P.C.B.)* means that organization under the Financial Branch of Military Government assigned to perform functions for the control and operation of property in certain categories, more particularly specified in the Handbook for Military Government in Germany, Finance and Property Control Chapter.

6. *Military Government Officer (M.G.O.)* as used in this Part of this Manual is that Military Government Officer to whom property control duties are assigned by the officer commanding a detachment (O.C.D.) of which he is a member, or by other higher authority

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	<i>Para.</i>	
	<i>No.</i>	
Property .. ..	48	
.. ..	49	
and Accounting Re-		
.. ..		
.. ..	50-52	
.. ..	53-58	
.. ..	59-60	
.. ..	61-63	
	<i>Appendix</i>	
struction No. 1		
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PC1) .. ..	"	
PC2) .. ..	"	
actions (Form		
.. ..	"	
PC4) .. ..	"	
PC5) .. ..	"	
.. ..	"	
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MG/PC8) ..	"	
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**III CONTROL**

**Technical Manual**  
Part of the F. & P.C. Technical Manual in the Finance and Property for Military Government in Military Government Officers functions and Property Control levels.

Instructions. Section II records. The instructions and the mobile period of Military I after surrender (sometimes or Phase I of the occupation mobile period, as contrasted times referred to as Phase II actions will be issued for the

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outset to take control of all properties by Military Government. Properties are taken into control immediately, used for party purposes of properties, controlled and supervised outside Germany and abandoned

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**Section I—Functional Instructions**

**III. Definitions**

4. (a) "Property Control" is a phrase of special meaning to denote the custodianship or possession of property which a part of Military Government, i.e., the G-5 Financial organization, may assume over specified categories of property (Military Government Law 52). Within certain limits the property is controlled by Military Government in place of the owner's control. Under military occupation property and the uses thereof may be otherwise regulated or controlled, e.g., orders requiring the deposit of radio transmitters or fire arms, prohibitions on the right to use transport, to manufacture munitions, etc. These types of control, however, are NOT what is meant by Property Control. Property Control involves the taking into custody of property by Property Control personnel of the G-5 Financial organization. Thus the (freezing) blocking of bank accounts or the deposit of foreign exchange assets or the use of property by the armed forces under requisition, seizure or confiscation, are not Property Control because *Property Control personnel* do not take such property into control, custody or possession. If such deposited, blocked, seized, requisitioned or confiscated properties are later delivered to Property Control, or to an agency or enterprise under Property Control, or designated by it, they would then come under Property Control as that concept is used herein. "Property Control" does NOT include the use or operation of properties by the Army or Navy, e.g., the operation of railroads by the Transportation Corps, of P.T. & T. equipment by Signal Corps, of docks by the Navy, the use of a house by the Army for office or billeting purposes, the use of property by Military Government for offices.

(b) It is to be noted that the word "control" as applied to property is used in two senses. With respect to blocking and foreign exchange controls, the word "control" refers to the technique whereby restrictions are imposed on the owner's use or access to property, but Military Government will probably not take such property into its custody nor use it. As used in the subject of Property Control, the word "control" is used to describe the different techniques and procedures which are employed in taking certain properties into varying degrees of custody by the Property Control part of the G-5 Financial Branch of Military Government.

5. *Property Control Section or Branch (P.C.B.)* means that organization under the Financial Branch of Military Government assigned to perform functions for the control and operation of properties of certain categories, more particularly specified in the Handbook for Military Government in Germany, Finance and Property Control Chapter.

6. *Military Government Officer (M.G.O.)* as used in this Part of this Manual is that Military Government Officer to whom property control duties are assigned by the officer commanding a detachment (O.C.D.) of which he is a member, or by other higher authority.

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7. *Property Control Officer (P.C.O.)* is the specialist Military Government Officer whose duties are solely those of Property Control.

8. (a) *Chief Property Control Officer (C.P.C.O.)*, during the early stage of the mobile phase, is the senior Property Control Officer located at Army Group level. In the later stage of the mobile phase, the C.P.C.O. is the senior Property Control Officer in each of the respective zones of Germany, i.e., British or American zone.

(b) *Deputy Chief Property Control Officer (D.C.P.C.O.)*, during the early stage of the mobile phase, is the senior Property Control Officer located at Army level. During the later stage of the mobile phase, the D.C.P.C.O. is the senior Property Control Officer in each of the regions of the British and American zones.

9. *Property Funds* are any funds which come into the possession of any M.G.O. or P.C.O. as a result of the exercise of property control functions. It will be noted that such funds do not include those in blocked (frozen) accounts unless such funds are actually transferred to the P.C.O.

10. *Business Enterprise* shall mean any individual, partnership, association, corporation or other organization engaged in commercial or other business or public welfare activities.

11. *Military Government Funds*, as distinct from Property Funds, are funds which are received or expended for Military Government purposes. They may not be used in the payment of expenses, repairs and the like in connection with properties held by Property Control, except and until the amount of money so needed has been requested as a loan of Military Government funds and has been approved by the highest Finance Level. Military Government funds are accounted for by a Sub-Accountant in accordance with Military Government Instructions—117, Instructions to Sub-Accountants (Cash Accounting), and must not be intermingled with Property Funds.

12. *Technical channels and technical chain of communications* are the means by which a P.C.O. or M.G.O. may correspond directly with another P.C.O. or M.G.O. in respect of Property Control matters.

#### IV. General Plan

13. P.C.Os. will be assigned to perform certain supervisory, advisory and local functions in connection with property control. In the initial period P.C.Os. will be assigned to areas (the level of area to depend upon the number of P.C.Os. available) and will act as advisers and consultants to M.G.Os. If a sufficient number of P.C.Os. is available in this early stage they will also be immediately assigned to Stadtkreise to perform local functions with respect to property control. As soon as possible P.C.Os. will be assigned to take over all local property control functions exercised by M.G.Os. in the initial period. At higher levels P.C.Os. will be called upon to exercise supervisory functions. All supervisory functions by P.C.Os. will be in accordance with direction from higher authority.

14. During the initial period, all records, reports, etc. will be forwarded by P.C.Os. through technical channels to the D.C.P.C.O. who will maintain centralized files of property and accounting records and such accounting facilities as may be prescribed.

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15. For functional guidance, the will operate. However, military c where specific responsibilities are in matters which affect the transmission of definite orders.

#### V. Organizational and Operati

16. P.C.Os. will act in a staff cap of the area on all matters concerni

17. Each P.C.O. at the lower level will perform the local property contr Control Chapter of the Handbook f many and the following :—

- (a) Acquaint himself generally with ting and with the property co contact with local officials, ba whom information can be of properties subject to control.
- (b) Confer with the M.G.Os. in his consultation in matters relating vision of the activities of M.G.C functions in the areas will be u principles laid down in the Hand in Germany and as directed by
- (c) Make an initial general survey and forward his report to higher aut survey should include a stateme Nations' properties; a report of property subject to control whic a recommendation as to prioriti into control. A summary of pr M.G.Os. and recommendations as may be necessary to effect satisf included in such report. The fact dummy operations used to conceal be reported to show enemy techniq
- (d) Channel property control records a to the D.C.P.C.O., retaining sufficien to furnish information on the assign D.C.P.C.O.

18. In taking a going business enterprise i outlined below will be followed by the M.G.

- (a) Deliver or post the Notice of Custody
- (b) Secure statement showing the financia as near the date of control as possibl
- (c) Complete and forward through prop Record (Form MG/PC2).

The M.G.O. or P.C.O. will prepare or sup the Notice of Custody and the Property Rec forward to the D.C.P.C.O. the most recent the business. During the period of their c statements will be submitted by going bus

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ny individual, partnership, ation engaged in commercial ities.

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ds, reports, etc. will be for-channels to the D.C.P.C.O. erty and accounting records scribed.

15. For functional guidance, the technical chain of communication will operate. However, military command channels will be employed where specific responsibilities are imposed on military commanders in matters which affect the property control function or for the transmission of definite orders.

#### V. Organizational and Operational Duties of P.C.Os.

16. P.C.Os. will act in a staff capacity to the military commander of the area on all matters concerning the property control function.

17. Each P.C.O. at the lower levels (including the Stadtkreise level) will perform the local property control duties outlined in the Property Control Chapter of the Handbook for Military Government in Germany and the following :—

- (a) Acquaint himself generally with the area in which he is operating and with the property control problems therein, making contact with local officials, bankers, and other persons from whom information can be obtained regarding the various properties subject to control.
- (b) Confer with the M.G.Os. in his area and offer his advice and consultation in matters relating to property control. Supervision of the activities of M.G.Os. exercising property control functions in the areas will be undertaken in accordance with principles laid down in the Handbook for Military Government in Germany and as directed by higher authority.
- (c) Make an initial general survey and estimate of the situation and forward his report to higher authority within a week. The survey should include a statement of the condition of United Nations' properties; a report of the different categories of property subject to control which are found in the area and a recommendation as to priorities for taking such properties into control. A summary of property control activities of M.G.Os. and recommendations as to such additional steps as may be necessary to effect satisfactory controls should be included in such report. The facts of cases of cloaking and dummy operations used to conceal property ownership should be reported to show enemy techniques.
- (d) Channel property control records and reports from M.G.Os. to the D.C.P.C.O., retaining sufficient data so as to be prepared to furnish information on the assigned area if required by the D.C.P.C.O.

18. In taking a going business enterprise into control the procedure outlined below will be followed by the M.G.O. or P.C.O. :—

- (a) Deliver or post the Notice of Custody (MG/PC1) ;
- (b) Secure statement showing the financial position of the business as near the date of control as possible ;
- (c) Complete and forward through proper channels the Property Record (Form MG/PC2).

The M.G.O. or P.C.O. will prepare or supervise the preparation of the Notice of Custody and the Property Record. He will secure and forward to the D.C.P.C.O. the most recent financial statements of the business. During the period of their control, periodic financial statements will be submitted by going business enterprises to the

M.G.O. or P.C.O. who will transmit the reports to the D.C.P.C.O. In authorizing the continuance of a going business, M.G.Os. or P.C.Os. will deliver to the person in control of the enterprise a copy of the Property Control Letter of Instruction No. 1 (MG/PCO/IBE/1). A copy of this letter is included in the Appendix of this Manual. M.G.Os. and P.C.Os. will not personally operate any going concern without specific written authority from the C.P.C.O.

19. Cases will arise where certain properties will be taken into control during the early stage of the mobile phase. It may then develop that P.C.Os. and M.G.Os. who took property into control will be directed to move forward into other areas with their Detachments. In such instances, the P.C.Os. and M.G.Os. will leave with or for the P.C.Os. and M.G.Os. of Detachments which succeed them, records and complete reports in connection with properties held in control, together with such other data pertaining to the area as may be of benefit to their successors.

## VI. Special Instructions

### (A) Property Funds

20. The P.C.O. will not authorize expenditures with respect to property without specific written approval from the C.P.C.O., except that the P.C.O. may authorize such *normal* expenditures as are necessary to preserve and protect the property in its present condition if such funds are available from the particular property to be protected.

21. (a) Property funds received by the P.C.O. from any one property must not be used for any purpose on any other property unless properties are both owned and controlled or occupied by the same person; e.g. it may be the tenant's duty to maintain and repair the property. If a person owns two properties but has rented them to two different tenants, for example, the rent collected from one tenant should not be used to maintain or repair the property occupied by the second tenant if it is the duty of the second tenant to bear the expense of maintaining or repairing the property that he occupies.

(b) Property Funds or assets, whether blocked or seized under Military Government Law No. 52, or otherwise, are *not* to be used for advances to public authorities. These funds are under the Property Control organization and must be administered in strict compliance with instructions concerning the use of such funds in this Manual.

22. Funds received or produced by the operation of a property will be retained in such accounts and depositories as are maintained on behalf of that property. If for some reason the P.C.O. determines that it would be advisable to transfer such funds to the account of the P.C.O., he shall first report his recommendations to the C.P.C.O. with a full statement of supporting reasons therefor.

### (B) Contracts

23. When contracts for terms in excess of thirty days are referred to the P.C.O., he shall make full investigation of the identity and reliability of the contracting parties and shall make a report thereon together with his recommendations to higher authority.

24. Forms for contracts of sale, lease, loans of movables, etc. together with appropriate instructions, will be furnished to the P.C.O. by higher authority.

### (C) Fees and Allowances to Custodians

25. Questions relating to the reduction or increase of fees paid to custodians and allowances to owners and their dependants out of properties taken into control will be referred to the C.P.C.O.

### (D) Blocking Control

26. *General.* In order to maintain *in statu quo* property which is subject to being taken into control by Military Government, blocking (freezing) controls are established in Article II of Military Government Law, No. 52, Blocking and Control of Property which is contained in an appendix hereof. These controls, although administered by Military Government Finance levels, should be thoroughly understood by all personnel exercising property control functions. Accordingly, the description of the nature and operation of blocking controls which is contained in Chapter IV of this Manual should be referred to by M.G.Os. and P.C.Os. Specific duties of M.G.Os. and P.C.Os. with respect to blocking controls are set forth below.

27. *Specific Duties of M.G.Os. and P.C.Os. with Respect to Blocking Control.* (a) M.G.Os. and P.C.Os. will ensure that Law No. 52 is duly posted.

(b) M.G.Os. and P.C.Os. will notify the appropriate Military Government Finance Officer or M.G.O. exercising finance functions of any of the following which come to his attention:

- (1) Violations of any of the blocking controls;
- (2) Property which should be blocked in order to effectuate the objectives of Military Government but which is not owned by any of the categories of owners enumerated in paragraphs (a) through (f) of Article I of Military Government Law No. 52; in General Order No. 1 as amended and supplemented from time to time, or in any cards or lists furnished by Military Government in connection with the blocking programme;
- (3) Cases where in order to effectuate the objectives of Military Government it appears necessary that the privileges of a General License issued under Military Government Law No. 52 or of Article IV of such Law should be withheld from any person or transaction or property.

## Section II—Property and Accounting Records

### VII. Property Records

28. *Basic Property Records* will be prepared and maintained by M.G.Os. exercising property control functions and by P.C.Os. assigned to property control areas. These basic property records consist of:

- (a) The Notice of Custody (Form MG/PC1).
- (b) The Property Record (Form MG/PC2).
- (c) The Record of Property Transactions (Form MG/PC3).

29. *The Notice of Custody* (Form MG/PC1) is the official notice posted and given the owner, present holder, or occupant of property that the property is taken into custody by Military Government. The description of the property on the Notice of Custody should be brief and concise. A detailed inventory will not be prepared unless special circumstances (e.g., valuable paintings in warehouse which it takes into control) require otherwise. The Notice of Custody will be prepared in triplicate and the copies disposed of as indicated on the form.

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M.G.O. or P.C.O. who will transmit the reports to the D.C.P.C.O. In authorizing the continuance of a going business, M.G.Os. or P.C.Os. will deliver to the person in control of the enterprise a copy of the Property Control Letter of Instruction No. 1 (MG/PCO/IBE/1). A copy of this letter is included in the Appendix of this Manual. M.G.Os. and P.C.Os. will not personally operate any going concern without specific written authority from the C.P.C.O.

19. Cases will arise where certain properties will be taken into control during the early stage of the mobile phase. It may then develop that P.C.Os. and M.G.Os. who took property into control will be directed to move forward into other areas with their Detachments. In such instances, the P.C.Os. and M.G.Os. will leave with or for the P.C.Os. and M.G.Os. of Detachments which succeed them, records and complete reports in connection with properties held in control, together with such other data pertaining to the area as may be of benefit to their successors.

## VI. Special Instructions

### (A) Property Funds

20. The P.C.O. will not authorize expenditures with respect to property without specific written approval from the C.P.C.O., except that the P.C.O. may authorize such *normal* expenditures as are necessary to preserve and protect the property in its present condition if such funds are available from the particular property to be protected.

21. (a) Property funds received by the P.C.O. from any one property must not be used for any purpose on any other property unless properties are both owned and controlled or occupied by the same person; e.g. it may be the tenant's duty to maintain and repair the property. If a person owns two properties but has rented them to two different tenants, for example, the rent collected from one tenant should not be used to maintain or repair the property occupied by the second tenant if it is the duty of the second tenant to bear the expense of maintaining or repairing the property that he occupies.

(b) Property Funds or assets, whether blocked or seized under Military Government Law No. 52, or otherwise, are *not* to be used for advances to public authorities. These funds are under the Property Control organization and must be administered in strict compliance with instructions concerning the use of such funds in this Manual.

22. Funds received or produced by the operation of a property will be retained in such accounts and depositories as are maintained on behalf of that property. If for some reason the P.C.O. determines that it would be advisable to transfer such funds to the account of the P.C.O., he shall first report his recommendations to the C.P.C.O. with a full statement of supporting reasons therefor.

### (B) Contracts

23. When contracts for terms in excess of thirty days are referred to the P.C.O., he shall make full investigation of the identity and reliability of the contracting parties and shall make a report thereof together with his recommendations to higher authority.

24. Forms for contracts of sale, lease, loans of movables, etc., together with appropriate instructions, will be furnished to the P.C.O. by higher authority.

54

### (C) Fees and Allowances to Custodians

25. Questions relating to the reduction or increase of fees custodians and allowances to owners and their dependants properties taken into control will be referred to the C.P.C.O.

### (D) Blocking Control

26. *General.* In order to maintain *in statu quo* property subject to being taken into control by Military Government, (freezing) controls are established in Article II of Military Government Law, No. 52, Blocking and Control of Property which is contained in an appendix hereof. These controls, although administered by Military Government Finance levels, should be thoroughly understood by all personnel exercising property control functions. Accordingly, the description of the nature and operation of blocking controls which is contained in Chapter IV of this Manual should be read to by M.G.Os. and P.C.Os. Specific duties of M.G.Os. and P.C.Os. with respect to blocking controls are set forth below.

27. *Specific Duties of M.G.Os. and P.C.Os. with Respect to Blocking Control.* (a) M.G.Os. and P.C.Os. will ensure that Law No. 52 is duly posted.

(b) M.G.Os. and P.C.Os. will notify the appropriate Military Government Finance Officer or M.G.O. exercising finance functions of any of the following which come to his attention :

- (1) Violations of any of the blocking controls;
- (2) Property which should be blocked in order to effectuate the objectives of Military Government but which is not included in any of the categories of owners enumerated in paragraph (f) of Article I of Military Government Law No. 52 in General Order No. 1 as amended and supplemented from time to time, or in any cards or lists furnished by Military Government in connection with the blocking program;
- (3) Cases where in order to effectuate the objectives of Military Government it appears necessary that the privilege of General License issued under Military Government Law No. 52 or of Article IV of such Law should be withheld from a person or transaction or property.

## Section II—Property and Accounting Record

### VII. Property Records

28. *Basic Property Records* will be prepared and maintained by M.G.Os. exercising property control functions and by P.C.Os. assigned to property control areas. These basic property records consist of :

- (a) The Notice of Custody (Form MG/PC1).
- (b) The Property Record (Form MG/PC2).
- (c) The Record of Property Transactions (Form MG/PC3).

29. *The Notice of Custody* (Form MG/PC1) is the official document posted and given the owner, present holder, or occupant of the property that the property is taken into custody by Military Government. The description of the property on the Notice of Custody should be brief and concise. A detailed inventory will not be prepared in special circumstances (e.g., valuable paintings in warehouse which it takes into control) require otherwise. The Notice of Custody should be prepared in triplicate and the copies disposed of as indicated in the form.

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Authority AND 760238

By SR NARA Date 2-9-00

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30. *The Property Record* (Form MG/PC2) is designed to provide essential general information regarding each property taken into control. Instructions for the preparation of serial numbers will be issued by the D.C.P.C.O. Items 1 through 9 of the record are self-explanatory. At Item 10, "Description of Property," give a brief description of the property but not a complete inventory. Item 11 requires a brief statement as to the physical condition of the property when taken into control. At Item 12 the value of the property will be reported if and when circumstances permit and may represent an estimate, the value at which the property was assessed for tax purposes, or otherwise. Under Item 16, "Insurance Protection," will be shown the name of the insurance company, the kind of insurance (as fire insurance, etc.), the amount of insurance and the date of expiration of the policy. Separate schedules, in the required number of copies, may be attached when additional space is needed.

The M.G.O. exercising property control functions will prepare the Property Record in triplicate but the P.C.O. will prepare the form in duplicate. At the earliest practicable moment they will dispose of the various copies as indicated on the form.

31. *Record of Property Transactions* (Form MG/PC3) will be used by the M.G.O. and the P.C.O. to record all matters relating to each property, e.g., the appointment of a new manager, the loan or leasing of property, losses through fire, theft or otherwise, and the like. The M.G.O. will prepare the Record of Property Transactions in triplicate but the P.C.O. will prepare the form in duplicate. The various copies will be disposed of promptly as indicated on the form.

32. *A Property File* bearing the appropriate serial number will be opened by the P.C.O. for each property taken into control. In it will be kept all papers, documents, correspondence, records, etc. pertaining to the property. Such Property File will be maintained by the P.C.O. for each property administered on his behalf by M.G.Os. in the smaller Stadtkreise and in the Landkreise of his area. M.G.Os. may, but not need not, keep separate Property Files.

#### VIII. Property Control Accounting

33. *The responsibilities for Property Control accounting* are divided into two categories:

- (a) *Cash transactions*, involving receipt or payment of funds which come into the possession of M.G.Os. or P.C.Os. from property controlled by Military Government (discussed in the section on Cash Accounting System which follows).
- (b) *Transactions of Business Enterprises and of custodians of other property under Property Control*, in both of which cases the responsibility for maintenance of adequate records remains with the operators of such business enterprises or the custodians of such other property who must keep such records as may be needed to provide the information and reports required by Military Government. In these cases the responsibility of the M.G.O. or P.C.O. for accounting systems, in the absence of further specific instructions, is limited to the transmission to the D.C.P.C.O. of the reports and information required by Military Government.

34. *Property transactions by M.G.Os. or P.C.Os. other than cash transactions, which do not ordinarily have or require an accounting*

56

system, such as releasing property to its owner or to Government or to other branches of Military Government be reported on the "Record of Property Transactions" (Form MG/PC3).

35. *No new or other accounting system*, other than that maintained by the business enterprise, will be installed or P.C.O. without specific written instructions from the M.G.O.

#### IX. Cash Accounting System

36. *Basic Cash Accounting Records* will be maintained by the M.G.O. and the P.C.O. with respect to cash which comes into their possession. Such records to be maintained by the M.G.O. are:

- The Receipt Voucher (Form MG/PC4).
- The Cash Report (Form MG/PC6).

Such records to be maintained by the P.C.O. are:

- The Receipt Voucher (Form MG/PC4).
- The Payment Voucher (Form MG/PC5).
- The Cash Book (Form MG/PC7).
- The Property Cash Account (Form MG/PC8).
- Summary of Property Cash Accounts (Form MG/PC9).

37. *The Receipt Voucher* (Form MG/PC4) must be entered on the receipt of cash made in the Cash Report and in the Cash Book of the P.C.O. Vouchers will be prepared in triplicate and the copies disposed of as indicated on the form. Sufficient details must be entered on each Receipt Voucher to show the exact nature of the transaction.

Supporting documents giving fuller details that cannot be conveniently entered on the voucher itself will be attached to the voucher and forwarded to the D.C.P.C.O. Receipt Vouchers will be prepared consecutively, commencing from No. 1 at the beginning of each month.

38. *A Payment Voucher* (Form MG/PC5) must be prepared for every payment made by the P.C.O. It will be prepared in triplicate. The copies disposed of as shown on the voucher. Sufficient details must be entered on each Payment Voucher to show the exact nature of the transaction. Supporting documents, such as invoices, must be attached to the original and forwarded to the D.C.P.C.O. Part 1 of the voucher will be signed by the Officer who is to expend property funds. Powers of authorization will be fixed from time to time by general or specific orders issued by the C.P.C.O. It is the duty of the Officer concerned with the voucher to satisfy himself that:

- (a) The services or goods specified therein have been performed or delivered.
- (b) The prices charged are according to contract, scales, or, in the absence of contract or scales, a fair price.
- (c) The person named in the voucher is the person who is to receive payment.
- (d) His powers of authorization or expenditure are sufficient to cover both the nature and the amount of the transaction to which the voucher refers.

57

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MG/PC2) is designed to provide  
 ding each property taken into  
 ration of serial numbers will be  
 through 9 of the record are self-  
 sition of Property," give a brief  
 a complete inventory. Item 11  
 hysical condition of the property  
 (2 the value of the property will  
 ces permit and may represent  
 : property was assessed for tax  
 n 16, "Insurance Protection,"  
 surance company, the kind of  
 e amount of insurance and the  
 arate schedules, in the required  
 hen additional space is needed.  
 nrol functions will prepare the  
 e P.C.O. will prepare the form  
 able moment they will dispose  
 the form.

s (Form MG/PC3) will be used  
 ord all matters relating to each  
 a new manager, the loan or  
 re, theft or otherwise, and the  
 ecord of Property Transactions  
 re the form in duplicate. The  
 mply as indicated on the form.

ropriate serial number will be  
 erty taken into control. In it  
 correspondence, records, etc.  
 roperty File will be maintained  
 nistered on his behalf by  
 d in the Landkreise of his area.  
 separate Property Files.

ig  
 Control accounting are divided

ipt or payment of funds which  
 O.s. or P.C.O.s. from property  
 nent (discussed in the section  
 ich follows).

ises and of custodians of other  
 l, in both of which cases the  
 of adequate records remains  
 siness enterprises or the custo-  
 ho must keep such records as  
 ormation and reports required  
 these cases the responsibility  
 unting systems, in the absence  
 is limited to the transmission  
 : and information required by

s. or P.C.O.s. other than cash  
 ave or require an accounting

system, such as releasing property to its owner or to the German Government or to other branches of Military Government, etc., will be reported on the "Record of Property Transactions" (Form MG/PC3).

35. No new or other accounting system, other than that customarily maintained by the business enterprise, will be installed by the M.G.O. or P.C.O. without specific written instructions from the D.C.P.C.O.

#### IX. Cash Accounting System

36. Basic Cash Accounting Records will be maintained by the M.G.O. and the P.C.O. with respect to cash which comes into their possession. Such records to be maintained by the M.G.O. are :

The Receipt Voucher (Form MG/PC4).

The Cash Report (Form MG/PC6).

Such records to be maintained by the P.C.O. are :

The Receipt Voucher (Form MG/PC4).

The Payment Voucher (Form MG/PC5).

The Cash Book (Form MG/PC7).

The Property Cash Account (Form MG/PC8).

Summary of Property Cash Accounts (Form MG/PC9).

37. The Receipt Voucher (Form MG/PC4) must support every entry of the receipt of cash made in the Cash Report of the M.G.O. and in the Cash Book of the P.C.O. Vouchers will be prepared in triplicate and the copies disposed of as indicated on the voucher. Sufficient details must be entered on each Receipt Voucher to show the exact nature of the transaction.

Supporting documents giving fuller details that cannot be conveniently entered on the voucher itself will be attached to the duplicate and forwarded to the D.C.P.C.O. Receipt Vouchers will be numbered consecutively, commencing from No. 1 at the beginning of each month.

38. A Payment Voucher (Form MG/PC5) must support every payment made by the P.C.O. It will be prepared in duplicate and the copies disposed of as shown on the voucher. Sufficient details must be entered on each Payment Voucher to show the exact nature of the transaction. Supporting documents, such as invoices, giving fuller details that cannot be conveniently entered on the voucher itself will be attached to the original and forwarded to the D.C.P.C.O.

Part 1 of the voucher will be signed by the Officer who is authorized to expend property funds. Powers of authorization and their limits will be fixed from time to time by general or special instructions issued by the C.P.C.O. It is the duty of the Officer completing Part 1 of the voucher to satisfy himself that :

- (a) The services or goods specified therein have been duly performed or delivered.
- (b) The prices charged are according to contract, on approved scales, or, in the absence of contract or scales, fair and reasonable.
- (c) The person named in the voucher is the person entitled to receive payment.
- (d) His powers of authorization or expenditure are sufficient to cover both the nature and the amount of the transaction to which the voucher refers.

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42

Part 2 of the voucher will be signed by the person to whom payment is made. If this person is receiving payment on behalf of:

- (a) government, municipal or other authority,
- (b) company or firm, or
- (c) a person other than himself,

he should sign the name of the payee, and sign his own name indicating his relationship to the payee, etc., e.g., "I.G. Farbenindustrie, by Max Weber, Treasurer."

Part 3 of the voucher will be signed by the P.C.O. who is authorized to make payments out of property funds.

No expense chargeable to property funds may be incurred by an M.G.O. except upon the written authority of the P.C.O. of his area.

Payment vouchers will be numbered consecutively, commencing from No. 1 at the beginning of each month. Bank charges, if properly authorized, may be made by the bank a voucher giving the details of each of the charges made. This voucher will be in the form of a "Debit Slip" prepared by the bank and will be numbered (as a Payment Voucher) and forwarded through normal channels in the same manner as an original Payment Voucher.

39. *A Cash Report* (Form MG/PC6) will be prepared and maintained in triplicate by each M.G.O. who takes cash into custody or accepts receipts or collections of cash from properties under control. Such cash received will be handed to the appropriate P.C.O. or, if he is not available, to:

- (a) an authorized bank located in the area. The cash will be deposited to the credit of the appropriate P.C.O. and deposit slips in triplicate will be secured.
- (b) The nearest Sub-Accountant if no authorized bank is available. The cash will be turned over to the Sub-Accountant and his receipt will be secured.

All receipts entered in the Cash Report will be supported by Receipt Vouchers and all deposits with banks and Sub-Accountants will be supported by either bank deposit slips or receipts of Sub-Accountants.

The originals and the duplicate copies of the Cash Report, deposit slips and receipts will be forwarded immediately to the P.C.O. who will retain the duplicate copies for his records and will send the originals to the D.C.P.C.O. In the preparation of Cash Reports, the M.G.O. will observe the applicable instructions given in paragraph 40 below for the maintenance of the Cash Book.

40. *A Cash Book* (Form MG/PC7) will be maintained by each P.C.O. who has property funds in his control. The following rules will be observed in the keeping of the Cash Book:—

- (a) Receipts and payments will be entered in the Cash Book as soon as possible after the transactions have taken place. In the case of payments, entries will be made in the Cash Book at the time the checks are drawn—not when they have cleared through the bank.
- (b) Every receipt or payment will be supported by an appropriate voucher.

58

(c) Entries in the Cash Book will be as concise as possible always give sufficient detail to indicate the nature transaction independently of the more detailed info given in the supporting vouchers.

(d) The Cash Book will be kept on the official forms provided that purpose, but if these cannot be obtained, sheets shown in Form MG/PC7 will be used.

(e) No erasures will be made in the Cash Book. If it become necessary to effect a correction, to an incorrect entry will be struck out with a single line alterations will be initialled.

(f) At the end of each month, the Cash Book will be ruled the balance carried forward to a new sheet for the succeeding month.

(g) The Cash Book sheets will be kept in duplicate. By the first day of each month, the P.C.O. will forward to the D.C.P.C.O. the original sheets of the Cash Book together with supporting vouchers.

The space provided in the Cash Book for "Stadt/Landkreis/Provinz/Land" will be completed to show the location P.C.O. The column headed "From Whom Received or To Whom Paid" will be completed to show respectively the name of the person or organization from whom cash is received for credit to the property account or the name of the person or organization to whom a payment is made. The column captioned "Property Number" will be used to designate the specific property involved.

41. *A Property Cash Account* (Form MG/PC8) bearing the appropriate serial number will be maintained by the P.C.O. for each property from which he has received cash directly or through the M.G.O. in his area. The purpose of the Property Cash Account is to show the details of all cash transactions affecting each property. At the end of each month, each Property Cash Account in which transactions were entered during the month will be ruled off and the balance carried forward to a new Property Cash Account for the succeeding month. Property Cash Accounts will be kept by the P.C.O. in duplicate. The duplicate will be retained by him for his records and the original will be forwarded to the D.C.P.C.O. The sum of the balances in the various Property Cash Accounts should at the end of each month equal the balance in the "Balance" column of the Cash Book. Copies of the Property Cash Accounts, together with the original accounting records, will be forwarded to the D.C.P.C.O. not later than the 7th day of each succeeding month.

42. *Summary of Property Cash Accounts* (Form MG/PC9) will be prepared by each P.C.O. who has property funds in his control. The following rules will be observed in the keeping of the Summary of Property Cash Accounts:—

P.C.O. will prepare the Summary of Property Cash Accounts in duplicate, retaining the duplicate for his files and forwarding the original to the D.C.P.C.O. These forms will be transmitted to the D.C.P.C.O. later than the seventh day of the succeeding month. The form used in preparing the summary is self-explanatory. The sum of the balance in each Property Cash Account has been entered in the summary, the sum of the balances so entered should agree with the balance in bank as shown in the Cash Book column captioned "Balance."

59

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by the person to whom pay-  
g payment on behalf of :

authority,

and sign his own name indicat-  
ing, "I.G. Farbenindustrie, by

the P.C.O. who is authorized

charges may be incurred by an  
of the P.C.O. of his area.  
consecutively, commencing  
month. Bank charges, if  
the banks against property  
from the bank a voucher  
made. This voucher will be  
by the bank and will be  
forwarded through normal  
Payment Voucher.

will be prepared and main-  
takes cash into custody or  
on properties under control.  
appropriate P.C.O. or, if he

area. The cash will be  
appropriate P.C.O. and deposit

authorized bank is avail-  
er to the Sub-Accountant

port will be supported by  
banks and Sub-Accountants  
slips or receipts of Sub-

the Cash Report, deposit  
liately to the P.C.O. who  
records and will send the  
uration of Cash Reports,  
structions given in para-  
Cash Book.

be maintained by each  
rol. The following rules  
Book :—

ed in the Cash Book as  
is have taken place. In  
made in the Cash Book  
when they have cleared

orted by an appropriate

- (c) Entries in the Cash Book will be as concise as possible but will always give sufficient detail to indicate the nature of the transaction independently of the more detailed information given in the supporting vouchers.
- (d) The Cash Book will be kept on the official forms provided for that purpose, but if these cannot be obtained, sheets ruled as shown in Form MG/PC7 will be used.
- (e) No erasures will be made in the Cash Book. If it should become necessary to effect a correction to an entry, the incorrect entry will be struck out with a single line and the alterations will be initialled.
- (f) At the end of each month, the Cash Book will be ruled off and the balance carried forward to a new sheet for the succeeding month.
- (g) The Cash Book sheets will be kept in duplicate. By the 7th day of each month, the P.C.O. will forward to the D.C.P.C.O. the original sheets of the Cash Book together with supporting vouchers.

The space provided in the Cash Book for " Stadt/Landkreis " and " Provinz/Land " will be completed to show the location of the P.C.O. The column headed " From Whom Received or To Whom Paid " will be completed to show respectively the name of the person or organization from whom cash is received for credit to a property account or the name of the person or organization to whom a payment is made. The column captioned " Property Serial Number " will be used to designate the specific property account involved.

41. *A Property Cash Account* (Form MG/PC8) bearing the appropriate serial number will be maintained by the P.C.O. for each property from which he has received cash directly or through the M.G.Os. of his area. The purpose of the Property Cash Account is to record the details of all cash transactions affecting each property. At the end of each month, each Property Cash Account in which transactions were entered during the month will be ruled off and the balance carried forward to a new Property Cash Account for the succeeding month. Property Cash Accounts will be kept by the P.C.O. in duplicate. The duplicate will be retained by him for his files, and the original will be forwarded to the D.C.P.C.O. The sum of the balances in the various Property Cash Accounts should at all times equal the balance in the " Balance " column of the Cash Book. Copies of the Property Cash Accounts, together with the other cash accounting records, will be forwarded to the D.C.P.C.O. not later than the 7th day of each succeeding month.

42. *Summary of Property Cash Accounts* (Form MG/PC9).—The P.C.O. will prepare the Summary of Property Cash Accounts in duplicate, retaining the duplicate for his files and forwarding the original to the D.C.P.C.O. These forms will be transmitted not later than the seventh day of the succeeding month. The form to be used in preparing the summary is self-explanatory. When the balance in each Property Cash Account has been entered on the summary, the sum of the balances so entered should agree with the balance in bank as shown in the Cash Book column captioned " Balance."

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 By OR NARA Date 2-9-00  
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 Entry SHAFF (49)  
 File Mil Govt, Germ,  
 Box 82

43. *Cash in Hand*, when taken into custody by a P.C.O., will be deposited in bank as soon as possible. Under no circumstances will any part of cash in hand be expended.

44. A *Bank Account* for Property Funds will be opened with the nearest branch of the Reichsbank or other authorized bank and will not be opened in the name of the P.C.O. but in his official capacity, e.g., "Property Control Officer, Darmstadt, by John Smith, Major." In operating the bank account, the P.C.O. will adhere strictly to the following instructions:—

- (a) The bank account will not be used for any but authorized transactions.
- (b) All cash, cheques, money orders, and the like, received by the P.C.O. for the account of a property will be deposited in the bank at the earliest possible moment.
- (c) The cheque book will be kept under lock and key.
- (d) No cheque will be signed by the P.C.O. until the name of the payee, the amount of the cheque and the official title of the P.C.O. have been entered on the cheque.
- (e) Spoiled cheques will not be destroyed but will be cancelled and attached to the stub.
- (f) All cheque stubs will be retained for audit purposes.
- (g) The statement of the bank account will be obtained from the bank at the end of each month and will be reconciled with the Cash Book.
- (h) A debit slip, in duplicate, will be obtained from the bank to substantiate all charges made by the bank against the bank account. The P.C.O. will refuse to accept any unauthorized charge against the account.
- (i) The P.C.O. will obtain from the bank a certificate showing the balance in the account as at the close of business on the last day of each month. This certificate, together with the other monthly reports, will be forwarded to the D.C.P.C.O.
- (j) The monthly bank certificate will be accompanied by reconciliation of the bank balance shown on the certificate with the balance shown by the Cash Book. This statement will be made up as follows:—

RECONCILIATION OF ACCOUNT WITH REICHSBANK

..... BRANCH	
as of.....(date)	
P.C.O..... Rank.....	
Stadt/Landkreis .....	
Provinz/Land .....	
BALANCE as per bank statement	RM.....
ADD:	
Amounts deposited with but not yet credited by the bank	.. ..RM.....
TOTAL .. ..	RM.....

DEDUCT:

Outstanding cheques not yet cleared by the bank:

Date	Cheque No.	Amount
.....	.....	RM.....
.....	.....	.....
.....	.....	.....

BALANCE as per Cash Book .. .. RM.....

- (k) The M.G.O. or P.C.O. has no authority to cash private c out of Property Funds for individuals however senior rank or however well known to him they may be.
  - (l) Property Funds derived from a particular property sh used solely and exclusively for authorized expenc directly applicable to that particular property and no except as provided in para. 21(a) above.
45. (a) *Handing over and Taking over Property Funds* will when one P.C.O. replaces another. In such instances, the Cash will be ruled off and the balance carried forward as is done end of each calendar month. The following will be entered or copies of the Cash Book:—
- (1) Statement of cash handed over, if any.
  - (2) Bank reconciliation.
  - (3) Certificate that the duties prescribed in paragraph 45(b) been carried out.
  - (4) Signatures of the officer handing over and the officer t over.
- (b) The Officer taking over Property Funds will perform following duties:—
- (1) See that entries in the Cash Book from the end of the prec month to the date of handing over are supported by a priate vouchers.
  - (2) See that the balance shown by the bank statement is pro reconciled with the balance shown by the Cash Book.
  - (3) Verify by certificate from the bank that the balance sl on the bank statement is acknowledged as correct by bank.
  - (4) See that the bank is duly advised of the cancellation o authority to operate the bank account by the officer har over, and of the authority necessary for the officer ta over to operate the account.
  - (5) See that the officer handing over gives an answer to question regarding prior months' accounts that may i been raised by higher authority regarding Property Fund
- (c) An M.G.O. on relinquishing P.C. duties will render a comp account and hand over all P.C. records in his possession to appropriate P.C.O.
46. *Monthly Reports and Details* which will be forwarded to D.C.P.C.O. by the seventh day of the succeeding month include:—
- (a) Cash Reports (from P.C.Os.)
  - (b) Cash Book sheets
  - (c) Receipt Vouchers

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Authority NND 760238

Entry SHAFF (49)

By SR NARA Date 2-9-00

File Mil Govt. Germ.

Box

52

body by a P.C.O., will be Under no circumstances  
s will be opened with the authorized bank and will out in his official capacity, t, by John Smith, Major." O. will adhere strictly to

d for any but authorized and the like, received by the ty will be deposited in the nt.

lock and key. C.O. until the name of the and the official title of the heque. oyed but will be cancelled

or audit purposes. t will be obtained from the and will be reconciled with

obtained from the bank to the bank against the bank to accept any unauthorized

nk a certificate showing the close of business on the last ate, together with the other ed to the D.C.P.C.O.

be accompanied by recon- own on the certificate with Book. This statement will

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.....(date)  
.... Rank.....  
.....  
.....  
RM.....

.....  
.....  
RM.....

DEDUCT :

Outstanding cheques not yet cleared by the bank :

Date	Cheque No.	Amount
.....	.....	RM.....
.....	.....	.....
.....	.....	.....

BALANCE as per Cash Book .. .. RM.....

- (k) The M.G.O. or P.C.O. has no authority to cash private cheques out of Property Funds for individuals however senior their rank or however well known to him they may be.
- (l) Property Funds derived from a particular property shall be used solely and exclusively for authorized expenditures directly applicable to that particular property and no other except as provided in para. 21(a) above.

45. (a) *Handing over and Taking over Property Funds* will occur when one P.C.O. replaces another. In such instances, the Cash Book will be ruled off and the balance carried forward as is done at the end of each calendar month. The following will be entered on both copies of the Cash Book :—

- (1) Statement of cash handed over, if any.
- (2) Bank reconciliation.
- (3) Certificate that the duties prescribed in paragraph 45(b) have been carried out.
- (4) Signatures of the officer handing over and the officer taking over.

(b) The Officer taking over Property Funds will perform the following duties :—

- (1) See that entries in the Cash Book from the end of the preceding month to the date of handing over are supported by appropriate vouchers.
- (2) See that the balance shown by the bank statement is properly reconciled with the balance shown by the Cash Book.
- (3) Verify by certificate from the bank that the balance shown on the bank statement is acknowledged as correct by the bank.
- (4) See that the bank is duly advised of the cancellation of the authority to operate the bank account by the officer handing over, and of the authority necessary for the officer taking over to operate the account.
- (5) See that the officer handing over gives an answer to any question regarding prior months' accounts that may have been raised by higher authority regarding Property Funds.

(c) An M.G.O. on relinquishing P.C. duties will render a complete account and hand over all P.C. records in his possession to the appropriate P.C.O.

46. *Monthly Reports and Details* which will be forwarded to the D.C.P.C.O. by the seventh day of the succeeding month will include :—

- (a) Cash Reports (from P.C.Os.)
- (b) Cash Book sheets
- (c) Receipt Vouchers

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Authority WND 760238

By SR NARA Date 2-9-00

RG

331

Entry

SHAFF (49)

File

Mil Govt. Germ.

Box

42

- (d) Payment Vouchers
- (e) Property Cash Accounts
- (f) Summary of Property Cash Accounts
- (g) Reconciliation of bank account
- (h) Certificate of bank balance

Separate instructions will be issued covering the detailed procedure of D.C.P.C.Os. in regard to these reports and documents.

#### X. Auditing

47. *Records of the M.G.O. and P.C.O.* in the field will be subject to audit by the auditing staff of the C.P.C.O. or the Audit Staff of the C.F.A. or such other auditors as may be appointed by higher authority.

#### XI. General Instructions

48. *Debts owed by the Owner of Property taken into Control* and other claims against the property, except in the case of going business concerns, will not be recognized or paid by the M.G.O. or P.C.O. except upon approval of the C.P.C.O.

49. *Physical Inventories*, while not generally required for properties taken into control, may be necessary in certain instances. For example, perishables which are taken into custody may have to be sold in order to avoid wastage, and a physical inventory will be taken.

#### XII. Maintenance of Files of Property and Accounting Records by Deputy Chief Property Control Officers

50. As provided elsewhere in this Manual, centralized files of property and accounting records pertaining to properties taken into control will be maintained by the Deputy Chief Property Control Officer (D.C.P.C.O.). All required property and accounting records will be forwarded by Property Control Specialist Officers (P.C.Os.) through technical channels to the D.C.P.C.O. In the event no P.C.O. is located within a particular area, M.G.Os. of that area will forward their property control records and reports directly to the D.C.P.C.O.

51. During the early mobile stage of the occupation of Germany, and until such time as instructions are given to the contrary, the responsibilities of the D.C.P.C.O. with respect to property and accounting records will consist of:—

- (a) Insuring that all appropriate property control records are received promptly.
- (b) Examining all reports and records received for the purpose of determining their completeness and accuracy. Such reports and records will consist of:
  - (1) Property Records (Form MG/PC2)
  - (2) Records of Property Transactions (Form MG/PC3)
  - (3) Receipt Vouchers (Form MG/PC4)
  - (4) Payment Vouchers (Form MG/PC5)
  - (5) Cash Reports (Form MG/PC6)
  - (6) Cash Books (Form MG/PC7)
  - (7) Property Cash Accounts (Form MG/PC8)
  - (8) Summary of Property Cash Accounts (Form MG/PC9)
  - (9) Any other records or reports which may be required from time to time.

62

(c) Filing all property and accounting records in the manner described in paras. 51 and 60 below.

(d) Maintaining the locator and cross indexing system in paras. 61, 62 and 63 below.

52. No specialized accounting work will be done at the level.

53. *Property Serial Numbers* are devised to show the Land, the category of property (German state, Nazi) and the number assigned to the property by the P.C.O. For instance, the property serial number LB-413-18 might

L—Provinz of Schleswig-Holstein.

B—German state property.

413—A number assigned to and identifying the P.C.O. who took the property into control (to avoid duplication).

18—The 18th piece of property taken into control by or M.G.O. in that Provinz.

54. For the purpose of the assignment of property serial numbers the following letters are assigned to the provinces and cities of Germany listed below and to the city of Berlin:

L—Schleswig-Holstein

M—Hannover

N—Westphalen

O—Rheinprovinz

P—Westmark

Q—Mecklenburg

R—Mark-Brandenburg

S—Provinz Sachsen

T—Thüringen

U—Sachsen

V—Hessen (incl. Hessen-Nassau)

W—Baden

X—Württemberg

Y—Bayern

Z—Berlin

55. (a) In the assignment of property serial numbers, the following letters will be used to designate the various categories of property:

A—*Properties of the United Nations and their National Governments and National Property of United Nations' Governments and National Governments.*

B—*German State Property.*

Property of the German Reich or any of the Länder or the political sub-divisions, agencies or institutions thereof.

C—*Property of the Nazi Party and its Members.*

Property of the Nazi party and all offices, departments or instrumentalities forming part of, attached to, or controlled or supervised by it. This class also includes property of the leading members of the Nazi party and of members of the organizations or instrumentalities.

D—*Other Enemy Property.*

Property of Governments other than Germany, or such Governments, which have been at war with the United Nations at any time since September 3, 1939.

E—*Property of Black-listed Persons.*

Property of persons specified by Military Government orders of lists or otherwise.

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Accounts  
 ment  
 ed covering the detailed procedur  
 reports and documents.  
 P.C.O. in the field will be subject  
 the C.P.C.O. or the Audit Staff of  
 s as may be appointed by higher  
 property taken into Control and other  
 pt in the case of going business  
 or paid by the M.G.O. or P.C.O.  
 C.O.  
 ot generally required for properties  
 ssary in certain instances. For  
 ken into custody may have to be  
 and a physical inventory will be  
 roperty and Accounting Records  
 y Control Officers  
 this Manual, centralized files of  
 ertaining to properties taken into  
 Deputy Chief Property Control  
 property and accounting records  
 ntral Specialist Officers (P.C.Os.)  
 e D.C.P.C.O. In the event no  
 r area, M.G.Os. of that area will  
 rds and reports directly to the  
 ge of the occupation of Germany,  
 s are given to the contrary, the  
 with respect to property and  
 te property control records are  
 rds received for the purpose of  
 ss and accuracy. Such reports  
 G/PC2)  
 ctions (Form MG/PC3)  
 G/PC4)  
 MG/PC5)  
 26)  
 )  
 orm MG/PC8)  
 Accounts (Form MG/PC9)  
 ts which may be required from

- (c) Filing all property and accounting records received from P.C.Os. and M.G.Os. in the manner described in paras. 59 and 60 below.
- (d) Maintaining the locator and cross indexing system described in paras. 61, 62 and 63 below.
- 52. No specialized accounting work will be done at the D.C.P.C.O. level.
- 53. *Property Serial Numbers* are devised to show the Provinz or Land, the category of property (German state, Nazi Party, etc.) and the number assigned to the property by the P.C.O. or M.G.O. For instance, the property serial number LB-413-18 might indicate :  
 L—Provinz of Schleswig-Holstein.  
 B—German state property.
- 413—A number assigned to and identifying the P.C.O. or M.G.O. who took the property into control (to avoid duplication).
- 18—The 18th piece of property taken into control by that P.C.O. or M.G.O. in that Provinz.
- 54. For the purpose of the assignment of property serial numbers, the following letters are assigned to the provinces and Länder of Germany listed below and to the city of Berlin :  

L—Schleswig-Holstein	S—Provinz Sachsen
M—Hannover	T—Thüringen
N—Westphalen	U—Sachsen
O—Rheinprovinz	V—Hessen (incl. Hessen-Nassau)
P—Westmark	W—Baden
Q—Mecklenburg	X—Württemberg
R—Mark-Brandenburg	Y—Bayern
	Z—Berlin
- 55. (a) In the assignment of property serial numbers, the following letters will be used to designate the various categories of properties :  
 A—*Properties of the United Nations and their Nationals.*  
 Property of United Nations' Governments and nationals thereof.  
 B—*German State Property.*  
 Property of the German Reich or any of the Länder or Provinces, or the political sub-divisions, agencies or instrumentalities thereof.  
 C—*Property of the Nazi Party and its Members.*  
 Property of the Nazi party and all offices, departments, agencies or instrumentalities forming part of, attached to or owned, controlled or supervised by it. This class of property also includes property of the leading members and other members of the Nazi party and of members of its affiliated organizations or instrumentalities.  
 D—*Other Enemy Property.*  
 Property of Governments other than Germany, or nationals of such Governments, which have been at war with any of the United Nations at any time since September 1st, 1939.  
 E—*Property of Black-listed Persons.*  
 Property of persons specified by Military Government by publication of lists or otherwise.

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**F—Looted Property.**

Property obtained by any person through duress or wrongful acts of dispossession or looting while acting as officials of the Reich or Nazi Party, or under colour of authority from either, from countries or persons outside Germany.

**H—Abandoned Property.**

Important or valuable abandoned property, where the owner, or a satisfactory representative of the owner, is not available.

**J—Other Property.**

Other property not included in the foregoing categories.

(b) In the event property is taken into control which might be considered to come under more than one of the categories listed above, it will be assigned the letter representing the highest category; for instance, if property of a black-listed Nazi were taken into control, it would come under C, Property of the Nazi Party and its Members, and E, Property of Black-listed Persons. In assigning the property a serial number; the higher category, C, would be used.

56. The number which identifies the P.C.O. or M.G.O. exercising property control functions will be assigned in the following manner:

- (a) A group of numbers, such as 1-399, will be assigned by Supreme Headquarters, A.E.F., to each Army Group.
- (b) The C.P.C.O. at Army Group will assign a block of numbers to each D.C.P.C.O., such as 1-99.
- (c) The D.C.P.C.O. at Army level will assign a number to each P.C.O. and to each M.G.O. who will exercise property control functions. The P.C.O. or M.G.O. will retain the number thus assigned to him as long as he performs property control duties and regardless of the number or succession of areas in which he may work.

57. (a) Each P.C.O. or M.G.O. will number the properties taken into control by him consecutively commencing with the number 1 (one), e.g., the P.C.O. having the identifying number 413 would number his first property taken into control as 413-1, his second property as 413-2, etc.

(b) Master records of identifying numbers assigned to P.C.Os. and M.G.Os. will be currently maintained at Army Group level and at Army level.

58. (a) When a P.C.O. or an M.G.O. is assigned to an area where properties have already been taken into control, he will not change the property serial numbers (or any part thereof) already assigned to such properties by his predecessor.

(b) When a P.C.O. or an M.G.O. is transferred or moved from one Province or Land to another, on entering the new Province or Land he will commence numbering new properties taken into control by him with the number 1 without changing any part of the property serial numbers assigned by his predecessor to properties previously taken into control by the latter. For instance, if a P.C.O. whose personal number is 225 were transferred from the Rheinprovinz (O) to the Province of Hannover (M), the first Nazi Party property (B) taken into control by him in the Province of Hannover would be given the number 1 (one), as MB-225-1.

64

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59. A Property File will be maintained into control. Each file will be labeled

- (a) The name of the property owner of the property.
- (b) The location of the property, in reference.
- (c) The serial number of the property.

60. All property and accounting records, etc., pertaining to each property will be opened and maintained for that part

61. A Locator System will be maintained records of any property to be located of the property of any particular rapidly. The system will consist of set up numerically according to serially according to name of the property, practicable, according to the name of

62. If available, an index consisting of typed and inserted in a frame will be available, a simple card indexing system.

63. An example of the information either the index strip or the index card. KNORR, C. H. — A.G. — HEILBI

The same information, arranged in both the alphabetical and the numerical

**Chapter****REMOVAL OF UNDESIRABLE FROM GERMAN FINANCIAL NAZIFICATION****(A) Policy on Removal of Persons**

One important policy of Military Government is the removal of Nazis and ardent sympathisers from circumstances are considerations of a expediency to delay or impede this process.

Hence, one of the immediate problems and Financial Officers is the removal of elements from the German financial system and private. Many of the persons who have conspicuous Nazi Party ties. This does not mean that they are not ardent sympathisers. From the point of view they represent as dangerous and unreliable Nazi Party members.

Because control in the financial field is probable that no person holds a key position acceptable to the Nazis, has been found and has acted in support of Nazi aims and financial positions have been responsible for mobilisation and operation of the German economy have been instrumental in carrying out domination and exploitation in the

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through duress or wrongfully while acting as officials of a different colour of authority from those outside Germany.

property, where the owner, or a representative of the owner, is not available.

the foregoing categories.

to control which might be included in one of the categories listed in the highest category; if the property owner is a listed Nazi were taken into control by the Nazi Party and its members or persons listed as listed Persons. In assigning a category, C, would be used.

P.C.O. or M.G.O. exercising control in the following manner: the property will be assigned by Supreme Headquarters Army Group.

assign a block of numbers to

will assign a number to each property which will exercise property control. The owner will retain the number thus assigned if he performs property control in the number or succession of areas.

number the properties taken into control numbering with the number 1. A property with identifying number 413 would be taken into control as 413-1, his second

numbers assigned to P.C.Os. at Army Group level and

assigned to an area where control, he will not change the number (thereof) already assigned

transferred or moved from one area to the new Province or Land. If the properties taken into control in the new area are changing any part of the property, the predecessor to properties in the new area. For instance, if a property were transferred from the control of a P.C.O. (M), the first Nazi assigned to him in the Province of (M), as MB-225-1.

59. A Property File will be maintained for each property taken into control. Each file will be labelled to show:

- (a) The name of the property owner, or, if unknown, the name of the property.
- (b) The location of the property, including postal address and map reference.
- (c) The serial number of the property.

60. All property and accounting records, correspondence, reports, etc., pertaining to each property will be kept in the Property File opened and maintained for that particular property.

61. A Locator System will be maintained in order to permit the records of any property to be located quickly or to permit the records of the property of any particular property owner to be located rapidly. The system will consist of two files, one of which will be set up numerically according to serial number and the other alphabetically according to name of the property owner, or if that is not practicable, according to the name of the property.

62. If available, an index consisting of index strips which are typed and inserted in a frame will be used. If the strip index is not available, a simple card indexing system will be used.

63. An example of the information which should be shown on either the index strip or the index card follows:

KNORR, C. H. — A.G. — HEILBRONN a/NECKAR VA-240-10  
 The same information, arranged in the same order, will be shown on both the alphabetical and the numerical index strips or index cards.

**Chapter IX**  
**REMOVAL OF UNDESIRABLE PERSONNEL**  
**FROM GERMAN FINANCIAL SYSTEM—DE-**  
**NAZIFICATION**

**(A) Policy on Removal of Personnel**

One important policy of Military Government is to remove active Nazis and ardent sympathisers from financial fields. Under no circumstances are considerations of administrative convenience or expediency to delay or impede this programme of De-Nazification. Hence, one of the immediate problems facing Military Government and Financial Officers is the removal of such Nazis and objectionable elements from the German financial system and institutions, public and private. Many of the persons who must be removed may not have conspicuous Nazi Party ties. The absence of such ties, however, does not mean that they are not active Nazis or ardent Nazi sympathisers. From the point of view of occupation authorities, they represent as dangerous and unreliable elements as do notorious Nazi Party members.

Because control in the financial field is highly centralised, it is probable that no person holds a key financial post unless he is acceptable to the Nazis, has been found by them to be dependable and has acted in support of Nazi aims. The holders of some key financial positions have been responsible to a large extent for the mobilisation and operation of the German economy in war. They have been instrumental in carrying out the policies of German domination and exploitation in the annexed, occupied or axis

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countries. In many cases they have acted as intelligence agents and in the seizure and liquidation of properties belonging to persecuted minority groups. Therefore, every holder of such a key position is open to suspicion, *prima facie*, and must be carefully scrutinised.

This chapter deals with the programme for the removal from the German financial system of undesirable personnel. It specifies key positions in various German financial institutions from which the incumbents must be suspended or removed at once and other positions the incumbents of which are subject to investigation and either mandatory or discretionary removal. It prescribes certain activities and connections outside financial fields which disqualify a German who engaged in such activities or had such connections from being allowed to continue in financial institutions. Some of such persons must be also removed immediately.

Persons who were not active Nazis or ardent sympathisers are not to be removed automatically, in the absence of further instructions or specifications.

If the automatic removals herein specified have not been accomplished before the Financial Officer assumes his duties, he must initiate and carry them out at once. Convenience of administration must not be allowed to delay the de-Nazification programme. Even if the removal programme entails in practice the closing of financial institutions, that must not interfere with carrying out the plan.

#### (B) Definitions

"Remove"—To discharge immediately an individual from every financial institution and position which he holds and terminate his influence and participation, direct and indirect, in such institutions. The property of all removed persons will be blocked.

"Suspend"—To prohibit temporarily the participation of any individual in the affairs of any financial institution or agency until he has been completely vetted. Financial Officers should review first the Fragebogen of suspended persons in the light of Appendix J of the Public Safety Manual of Procedures and these instructions. This should be done with the utmost expedition. The property of all suspended persons will be blocked during the period of suspension.

"Vorstand"—Board of Management.

"Officials"—Any individuals, whether officers or not, who are empowered either alone or with others to bind or sign for or on behalf of the financial institution (*e.g.*, stellvertretende Vorstandsmitglieder, Prokuristen, Handlungsbevollmächtigte), as well as departmental heads (Abteilungsleiter).

"Government financial agencies," "government agencies primarily of a financial character" and "government agencies performing financial functions" mean those government agencies, at all levels, whose duties are fiscal or financial (*e.g.*, Ministry of Finance; those parts of the Ministry of Economics which supervise, regulate or control financial institutions; other agencies dealing with taxes, etc.). (It is *not* intended to include persons handling administrative expenditures of other government agencies which are not primarily financial agencies, such as accounts departments of the Ministry of Agriculture.)

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In some German financial institutions certain positions may not be identical by Germans, but removal, suspension or holders of positions corresponding to instruction.

"Fragebogen"—Public Safety Form

"Vet"—The *entire process* of (1) de an individual, (2) his filling it out, (3) r the Financial Officer to see if any it made therein require mandatory removal such Fragebogen, (4) the subsequent rev Officer of these Fragebogen which the found to require mandatory removal, Officer's recommendations regarding re executed such Fragebogen. In some c Officers may do the vetting in place of latter have the responsibility for carry forth in this chapter nevertheless.

The singular includes the plural, *i.e.*, the Vice-Chairman of the Board of Direc there is more than one such Vice-Chairm

#### (C) Execution and Classification of

Every official, except clerks and non-P of every financial institution in German a Fragebogen. Financial Officers should and those parts of the Public Safety Ma to it and must see that Fragebogen are deli that the individuals concerned complete a to the institution where they are or we after distribution.

The four highest officials retaining aft have been effected in the institution Fragebogen and see that they are correct the institution and their own knowledge. Any omissions or discrepancies must attached to the respective Fragebogen. officials should then examine the Frage properly executed and completed and following three categories and sub-divisio

- (1) Persons automatically removed in ac to Financial Institutions, No. 3, divided into:—
  - (a) Directors (Members of the Aufsicht)
  - (b) Vorstand (Board of Management, often called "Direktor").
  - (c) Other officials of the position of d
  - (d) All remaining officials and employ
- (2) Persons suspended, sub-divided into
- (3) Persons not automatically remov. divided into the same four groups a

The Fragebogen so examined and class delivered within four days to the near Financial Officer within the same area

67

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SUPREME HEADQUARTERS  
ALLIED EXPEDITIONARY FORCE  
G-5 Division

SHAEF/G-5(Ops)/803

1 September 1944

SUBJECT: Coordination and control of Military Government in GERMANY prior to the creation of a tripartite control agency.

1. The policy and operating plan to govern the discharge by Supreme Headquarters of the Military Government of GERMANY, prior to the establishment of a tripartite control agency is set forth in this Directive.

2. Military Government policy and the plan for operation of Military Government within the area of GERMANY under the control of the Supreme Commander has been prescribed in the Draft Directive to Army Group Commanders on the subject.

3. The objectives of the Supreme Commander in the exercise of Military Government over the areas of his responsibility in GERMANY are as stated in this Draft Directive.

4. The Supreme Commander will possess supreme legislative, executive and judicial authority in the areas of GERMANY occupied by forces under his command.

5. The Assistant Chief of Staff, G-5 is delegated so much of this power as is necessary for him to act on behalf of the Supreme Commander in matters which do not; affect tactical operations, nor concern the security of Allied troops, nor require coordination with other Divisions of the Staff of Supreme Headquarters. He will exercise this delegated authority within the limits of the policy established by the Combined Chiefs of Staff and issued by SCAEF to Army Group Commanders. On matters concerning Military Government which affect the other Divisions of the Headquarters or concern the security or operations of Allied troops, the normal staff coordination with the other Divisions concerned will be the responsibility of G-5.

6. Until the termination of the period of SCAEF's responsibility it is the responsibility of Supreme Headquarters to:

a. Direct and coordinate the conduct of Military Government by Army Group Commanders in the areas in which their troops are deployed.

b. Direct the Military Government activities of the US and British elements of the tripartite Control Commission at the ministerial level in BERLIN and coordinate the activities of these elements one with the other and with those of Army Group commanders in the US and British zones.

c. Direct the Military Government activities of the Commander of the joint US and British forces occupying US and British sectors of the city of BERLIN and coordinate his activities with those of the Control Commission at the ministerial level in BERLIN.

7. G-5, SHAEF is assigned primary responsibility within this Headquarters for formulating plans for exercising the supervision and coordination required to accomplish a, b and c above. Proposed organization of G-5, SHAEF is shown at Appendix 'A'.

8. To ensure accomplishment of the objectives of the Supreme Commander, G-5 Division will:

a. Initiate policy on Military Government matters and cause these policies to be effected through command and technical channels.

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b. Through the Br/US elements of the Control Commission/Council, ensure that the German Ministerial authorities undertake such technical administrative responsibilities as may be required.

c. Initiate the development of an interim policy with the Commander of the Russian forces:

(i) Through the Br/US elements of the Control Commission/Council for the control of the German government at the ministerial level, and

(ii) Through the task force commander for the municipal administration of the city of BERLIN.

9. a. The Supreme Commander's exercise of his Military Government authority and the application of his Military Government policies will be conducted through:

(i) The Br/US elements of the Control Commission/Council with respect to all matters affecting the ministerial level at BERLIN.

(ii) Army Group Commanders with respect to all matters affecting regions in which their troops are deployed.

(iii) Commanding General of the Task Force with respect to all matters affecting Br/US sectors of the city of BERLIN.

b. The military chain of command will be employed in all Military Government communications with Army Group Commanders and the Commander of the Task Force. The Military Government chain of command from Supreme Headquarters to the Br/US elements of the Control Commission/Council will run from the Supreme Commander through G-5 to the Acting Deputy, Control Commission (British) and the Acting Deputy, US Control Group.

c. A technical Military Government channel of communication is authorized between G-5, SHAEF and the Br/US elements of the Control Commission/Council, the Military Government/G-5 Staffs of Army Groups and the Military Government/G-5 Staff of the Task Force Commander. From the outset, such functions as Finance, Economics and Legal will utilize this channel freely for technical guidance, etc. However, command channels will be employed on all matters which affect tactical operations or concern the security of Allied troops.

10. ACOS, G-5 will authenticate and issue to the Control Commission/Council instructions which require implementation through German Ministries. The Control Commission/Council will ensure that:

a. The Ministries concerned are fully aware of the import of these instructions, and translate them into the appropriate terms of German civil administration; and

b. The civil administrative channel will be employed for communicating instructions from one echelon of civil administration to another. The Control Commission/Council will normally be the channel of communication between the Supreme Commander and German central authorities. Any communication on matters of concern to Military Government which may issue from agencies of the central government in BERLIN (whether or not authorized by Military Government officers at that level) to subordinate agencies in the Military Government Regions must be cleared by the subordinate agency with the Military Government Detachment responsible for the Region. Action on such matters will be taken by the subordinate civil agency only on orders from a Regional Military Government officer. Copies of such instructions given German ministries by the Control Commission/Council will be passed to Regional Military Government Detachments through Military Government channels.

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11. Certain Headquarters subordinate to SCAEF having no parallel echelon of German civil administration through which they can exercise control (e.g. Army Groups or Armies) may ultimately be relieved of area responsibility for Military Government. This can only occur in the period of SHAEF's responsibility after working arrangements have been concluded with the USSR, controls established over the central administration of the German government, and adequate communications effected between BERLIN and the various regional headquarters.

12. a. The Br/US elements of the Control Commission/Council acting on a national basis will:

- (i) Inform SHAEF of tripartite policy as agreed and communicated by the Three Powers.
- (ii) Act for SHAEF in implementing such other policies as SHAEF may require imposed at the ministerial level as a matter of military necessity.
- (iii) In advance of formally agreed tripartite policy, negotiate on behalf of SHAEF such working arrangements with the USSR representatives as may be required at the ministerial level to give effect, in the British and US zones, to the policies established under (ii) above.

b. The Commanders of Br/US forces in BERLIN employing a Military Government Detachment provided by SHAEF and advised by the elements of the Control Commission/Council will:

- (i) Act for SHAEF in implementing policy provided by SHAEF with respect to the municipal administration of the Sectors of BERLIN in which the forces are deployed.
- (ii) Negotiate on behalf of SHAEF such day to day working arrangements with the Commanding General of the USSR forces occupying the USSR sector as may be required to implement SHAEF policy with respect to the sectors occupied by US and British forces.

c. Army Group Commanders occupying Br/US zones will execute the policies and discharge the responsibilities established in SHAEF/

13. a. In the period of SHAEF responsibility it will be the policy to confine the subjects on which working agreements are sought with the USSR to the minimum essential to the security of the forces and the successful deployment and maintenance of troops.

b. Attached as Appendix 'B' is a list of the topics on which working arrangements at the ministerial level must be developed with the USSR representatives. Accompanying each item on this listing is a statement of the policy desired by SHAEF.

c. Attached as Appendix 'C' is a list of the topics on which working arrangements for the municipal administration of BERLIN must be developed with the Commanding General of the USSR sector of BERLIN. Accompanying each item on this listing is a statement of the policy desired by SHAEF.

d. Prior to the conclusion of any working arrangements with USSR representatives by the elements of the Control Commission/Council on the one hand and Task Force Commander on the other, the substance of the agreement will be submitted to SHAEF for approval.

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APPENDIX 'A'  
to SHAEF/G-5(Ops)/853  
dated 1 September 1944

ORGANIZATION OF G-5

1. If the policy put forward in the preceding paper is accepted, it follows that a small echelon of G-5 must accompany the Control Commission/Council to BERLIN or to whatever location the German ministries may then be found. Its tasks may be summarized as:

- a. Normal staff work and coordination as between the Army Groups.
- b. Deciding, or referring to CCS for decision, problems raised during the occupation.
- c. Transmission to the Control Commission/Council orders for implementation by the German Ministries.

2. At the same time there will be in operation:

- a. G-5 FRANCE - the present forward echelon.
- b. The Belgian and Netherlands Coordination elements of G-5.
- c. NORWAY, under remote control.
- d. The Danish Mission.

3. It is assumed that there will be, in the final stages:

- a. SHAEF Rear in or near LONDON, dealing mainly with Supply.
- b. SHAEF Main, probably in GERMANY.

4. From the point of view of geography, it appears desirable to have an operational component of G-5 as near as possible to the centre of the country with which it is predominantly concerned. On the other hand, it is essential to reduce the echelons of G-5 to the minimum. Accordingly it is considered that G-5 FRANCE could operate from SHAEF Main. Its responsibilities will be light: the Mission and HQ Com Z will deal with minor problems. It is thought that the LOW COUNTRIES could also be coordinated from there.

5. NORWAY will be almost entirely a supply problem: but some liaison link with DENMARK and N. GERMANY is desirable.

6. Under these conditions G-5 will require a Forward Echelon GERMANY, probably in BERLIN.

7. The possible final layout for G-5 and for Operations Branch is shown at Annexures I and II.

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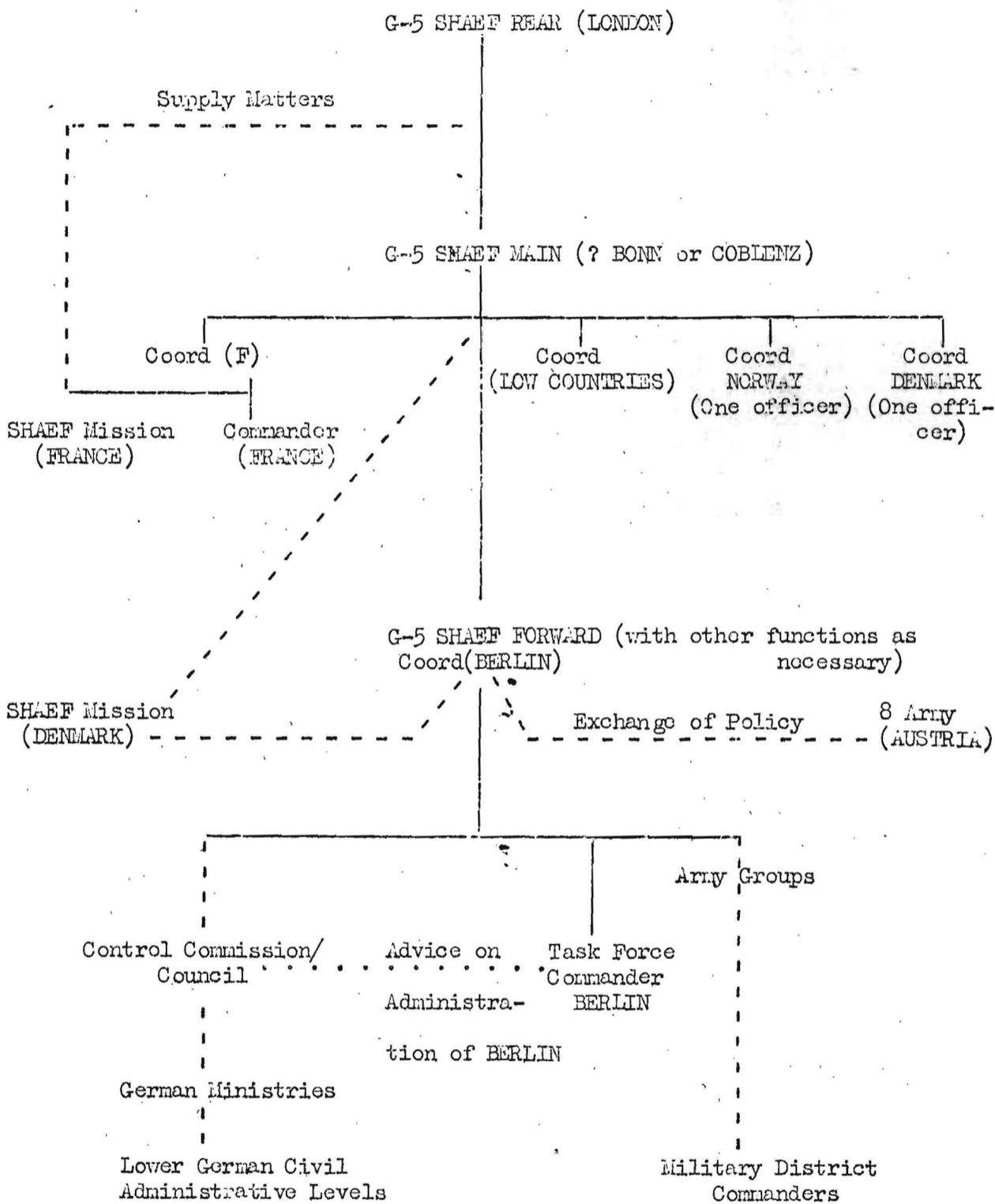
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ANNEXURE I  
to APPENDIX 'A'  
to SHAEF/G-5(Cps)/803 of  
1 September 1944



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ANNEXURE II  
to APPENDIX 'A'  
to SHAETF/G-5(Ops)/803 of  
1 September 1944

(Coordination Only)

(G-5, SHAETF, REAR)

(Incl one officer from Norwegian Staff Sec to work between Rear and SCOTCO)

Other Branches

Coord Main  
(Chief or D/Chief Ops)

Information

Public Safety

Coord (GERMANY)

Coord Liberated Territories

Forward Echelon (BERLIN)

Chief or D/Chief Ops

2 officers German Staff Section

2 officers Coord Section

Information

Public Safety

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SUPREME HEADQUARTERS  
ALLIED EXPEDITIONARY FORCE  
G-5 Division

SHAEF/G-5(Ops)/Main/604

December 1944

SUBJECT: Post Defeat Military Government Planning.

TO : All Branches, G-5

GENERAL

1. With the issue of the printed edition of the German handbook and the issue, or impending issue, of the various technical manuals, we have reached the end of one planning phase of the war against Germany. That is to say, basic planning for the pre-surrender period is over and it is now up to Army Groups to perform the more difficult task of operating during the pre-surrender period within the framework of the policy contained in SHAEF's publications.

2. SHAEF's period of responsibility will extend for some, so far undefined, period after German defeat. SHAEF's pre-surrender plans will not be sufficient for the post-defeat period and in some respects may not be adequate if there is an extensive occupation of Germany prior to defeat.

ALLIED POLICY FOR THE POST-DEFEAT PERIOD

3. Little agreed tripartite policy has as yet been received from the EAC with the exception of the instrument of surrender. With the addition of the French to the EAC and with the requirement of unanimity, it is doubtful if much policy will be received in time to be useful for planning purposes. No post-defeat directive has been received from CCS and there is little indication that one is imminent. This would leave SHAEF in the position of conducting post-defeat Military Government under a pre-surrender directive. This is undesirable from the standpoint of authority and from the standpoint of policy, since the pre-surrender policy is deficient for the longer term period at least to the extent indicated in this memorandum. It is suggested that SHAEF, with the assistance of the Control Commission/Council must develop a post-surrender policy, which can be submitted to CCS with the statement that in the absence of further direction it is proposed to apply this policy. If SHAEF is dissolved before the tripartite Control Commission/Council is operating, this policy can be utilized by the respective British and American zone commanders.

4. The governing documents for the post-defeat period, which are now in existence are the following:

- a. JCS 1067 - US Draft Directive to SCAEF for post-defeat period.
- b. British Draft Directives to the EAC (entitled - Policy Directives for the Allied Commanders-in-Chief in Germany and Austria in the post-surrender period).
- c. US Draft Directives to the EAC.
- d. JCS 1118 (not yet approved by JCS), US Draft Directive entitled - Planning for Military Government in Germany after defeat or surrender.

5. Attached as appendices to this memorandum are:

Appendix 'A': - Comparison of JCS 1067 and British Draft Directives to EAC.

Appendix 'B': - Changes and additions necessary to conform SHAEF pre-surrender policy to British post-surrender directives to EAC.

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Appendix 'C': - Changes and additions necessary to conform SHAEF Pre-Surrender Directives to US Post-Surrender Directives (JCS 1067 and Draft Directives to EAC, 1 to 12).

Appendix 'D': - Analysis of JCS 1118

6. The proposed directive to the Control Council (US) places on the Control Council responsibility for producing substantive Military Government policy for the post-defeat period for the US Zone. Similarly, responsibility will presumably be placed on the Control Commission, British element, for the producing of policies for the British Zone. In so far as this policy may be applied on a unilateral basis after the dissolution of Supreme Headquarters, it may not be necessary to have absolute agreement between the British and US views. However, in so far as it may be applied during the post-defeat period prior to the dissolution of Supreme Headquarters, it must be combined policy. Coordination of this policy with the Russian element of the Control Commission in London is also desirable.

#### ACTION REQUIRED

7. A considerable amount of planning is involved to meet SHAEF's post-defeat commitments. All such planning must be conducted in the closest contact with the Control Commission/Council. The first things to be decided are:

- a. Where prime responsibility for planning lies.
- b. Where the planning will be conducted.

8. At Appendix 'E' is a list of items which it is suggested that further planning is required together with suggested responsibilities and locations for planning. This list is not, of course, comprehensive.

9. Branches are requested:

- a. To comment on the proposals in Appendix 'E'
- b. To elaborate Appendix 'E' as necessary.

After agreement has been reached in SHAEF, concrete proposals will be put to the Control Commission/Council so that an agreed policy for the SHAEF period of post-defeat operations can be arrived at.

FRANK J. McSHERRY  
Brigadier General  
Chief, Ops Branch  
G-5 Division

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APPENDIX 'A'

SUPREME HEADQUARTERS  
ALLIED EXPEDITIONARY FORCE  
G-5 DIVISION

SHAEF/G-5(Main)604

SUBJECT: Comparison of JCS 1067 and British Draft Directives to EAC.

1. A check of the two Directives indicates that the major differences noted below exist. In general JCS 1067 is much closer to the CCS Pre-Surrender Directive than the British Drafts, and, therefore, the Pre-Surrender Directives already issued are closer to JCS 1067. Since the Proclamation and certain Laws and Ordinances have already been posted under the SHAEF Pre-Surrender Directives, it is likely that different Laws and Ordinances contained in the British Draft for the Post-Surrender period, will never be utilized.

2. JCS 1067 is clearly stated to be for the period immediately following the cessation of organized resistance. It is a short term document only and will not govern in the tripartite period. The British Drafts contain no indication that they are for a short term period only and do not refer to the establishment of a tripartite control with policies which supersede those announced in the Drafts. In fact, certain Directives (Part II of Directive No. 8 on Re-education of GERMANY) are definitely slanted toward the long term period. This is a basic difference between the two Directives, but it also opens a loophole for conciliation on the basis of producing a short term Post-Surrender Directive only. There are, however, certain fundamental differences in the British and US view-points even for the short term period which will have to be resolved before any such short term Post-Surrender Directive could be produced.

3. British Directive No. 1, Para 3 (e) and (f) contains aims of the occupation which go considerably beyond anything contemplated in JCS 1067, i.e. "to lay the foundations for the rule of law in GERMANY and for eventual peaceful cooperation in international life by GERMANY" and "to encourage individual and collective responsibility in Germans". These are clearly long term objectives.

4. JCS 1067 (Para 11) contains positive policy for promotion of decentralization of the political structure of GERMANY. All dealings should be with provincial and municipal government officials rather than central government officials. The British Drafts contain no positive policy in favour of decentralization other than the statement in Directive No. 1, Para 5, that the United Nations hope to encourage any movement in GERMANY toward decentralization or federalism. However, the British Drafts are prepared on the assumption that a central government would be functioning and contain numerous provisions directing the restoration, maintenance and use of central government authorities. The Directives contain notes on the effects of a possible disintegration of the German central administration, but the entire tone of the Drafts indicates that Military Government should use any central authorities which are found to be **functioning** and should even attempt to re-establish certain central authorities if they are no longer functioning. This is directly contrary to the US policy in Para 11.

5. JCS 1067 comes out definitely for the elimination of militarism (Para 3) including the elimination of the German professional officer corps as an institution (Appendix 'A'). It does not cover the problem of disbandment of the German armed forces, and, therefore, provides no answer to the question of the extent to which the German military organization can be used for disbandment without imperiling the objective of eliminating militarism. British Directive No. 1, Para 3 (c) provides for the destruction of the Nazi Party and system, but not for the destruction of militarism. Para 3 (d) provides that German militarism and National Socialism shall not be allowed to operate underground or in some other guise. Directive No. 8 on Education makes specific provision

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for the elimination of militarism. However, outside of these two instances, militarism is largely ignored in the British Drafts. Directive No. 18 on Disbandment of the German Armed Forces contemplates the use of the German military machine for this purpose.

6. JCS 1067 is very strict on the dismissal of Nazis and Nazi sympathizers, regardless of administrative convenience or expediency. The British Drafts provide numerous instances authorizing the retention of Nazis for administrative efficiency (Directive No. 7; Directive No. 15; Directive No. 34; Directive No. 35; Directive No. 36; etc. - See particularly Para 15 of Directive No. 7).

7. The British Directive No. 1, Para 5, indicates a more liberal attitude toward toleration of political activities than does JCS 1067, Appendix 'A', Para 11 b.

8. JCS 1067, Appendix 'A', Para 11 a, provides for the closing of schools. The British Directive No. 8, Para 2, states that "your aim will be to keep German schools open and functioning" with the exception of Nazi schools. The British Directive on Education is much more complete than the US, but is not necessarily in conflict except on the matter of closing and opening of schools.

9. The British Directive No. 13 (Displaced Persons) Para 4, provides for a participation of UNRRA, which is broader than that contemplated by JCS 1067, Para 8, which provides that UNRRA may participate only upon approval of CCS.

10. With respect to Finance JCS 1067 (Appendix 'B') provides for the initial use of Allied Military Marks, while the British Directive (No. 33) contemplates the use of Allied Military Marks only if Reichsmarks are not available in sufficient quantity. The British Directive provides for considerably more support and control of banking activities than does the US. The British Directive directs the closing of the Stock Exchanges and similar institutions; the US Directive makes this matter discretionary with Military Government. The British Directive contemplates the use of the existing German Property Control organization; the US Directive provides for direct Military Government property control measures. The US Directive provides for blocking of enemy property; the control of property through blocking is not specified in the British Directive. The British Directive includes the control of property of ordinary German residents; the US Directive covers only the control of property of the German State, Nazi Party, etc. The US Directive contemplates a more complete ban on German foreign trade than does the British Directive.

11. With respect to Relief, JCS 1067 (Appendix 'D') makes it very clear that the provision of imported supplies will be limited to supplies necessary to prevent disease or such disorder as might endanger or impede the military occupation. The British Directive (No. 34) is less strong: "If supplies have to be imported for the purposes of relief, they should be restricted to those quantities sufficient to prevent disease and unrest".

12. The US and British views on matters of economics are widely divergent. JCS 1067 (Appendix 'G') clearly prohibits steps looking toward the economic rehabilitation of GERMANY or designed to maintain or strengthen German economy, with certain minor exceptions of which the most important is the prevention or alleviation of epidemics or serious disease and serious civil unrest and disorder which would endanger the occupying forces and the accomplishment of the objectives of the occupation. The responsibility of such economic problems as price control, rationing, unemployment, production, reconstruction, distribution, consumption, housing or transportation, is left with the German people. The Finance Directive (Appendix 'B') does not authorize the taking of any steps to prevent inflation except as may be necessary from a strictly military occupation standpoint. The British Directives on the other hand contemplate a fairly complete control and support of the economic life of the country. Military Government is given definite responsibility for the maximum production of food, rationing, price control, wages, inflation, black market, hoarding, building, housing, transportation, etc. In general, these controls would be exercised through existing German central authorities, e.g. Ministry of Food and Agriculture, Ministry of Economics, Ministry of the Interior. The US view is reflected in FACS 93 with the exception that maintenance of economic controls by the Germans is made mandatory.

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During the war the main function of the commercial banks, and of the Reichsbank as well, has been to provide a liquid market for short term armament bills. Because of the strict control over the banks the policy at the present time is to allow the existence of an enormous amount of short-term bills, with large amounts maturing monthly. This debt should be consolidated after Germany's collapse unless the banks are to be kept closely under the control of the occupation authorities. Again, the freedom with which the Nazi government has been able to act in creating short term bills has been predicated on the inability of individuals and businesses to compete with the government for goods and factors of production. If, during the occupation period, some measure of freedom is allowed business firms to undertake investment, the constant threat exerted by these bills should be removed. This would involve the placing of controls over the portfolio policies of the commercial banks, in order to insure the renewal each month of the enormous supply of maturing bills.

The savings banks have taken large amounts of purchasing power from individuals, passing it on to the Reich for purposes of war finance. Some of these savings have been of the "frozen" variety, i.e., in return for a tax privilege they are blocked for a period of time. Other deposits have been made because of the inability of the individual to find goods on which to spend his money. Consequently some kind of control will be needed after the armistice to prevent the sudden withdrawal and spending of large amounts of money.

Most of the central credit institutions fulfill definite needs and it will probably be desirable to retain them in their original functions, always providing that Nazi influence is eliminated at the policy levels. Others, like the Gold Discount Bank, the Reichskreditkasse, the Deutsche Verrechnungskasse, etc., have functions which may not be wanted, and the institutions will probably be done away with.

#### Suggested Procedures

- A. The Reichsbank and its subsidiary institutes should be placed under the control of the occupation authorities. However, the technical work of these institutions will have to be done by regular German civil servants.
- B. The commercial banks may be allowed to continue in the hands of Germans, but it appears necessary that they be required to hold their allotted proportion of bills. As soon as consolidation of at least a major portion of the short term debt has been accomplished, the commercial banks can be allowed more freedom of policy. Since the maintenance of sound credit conditions is primarily technical in nature, it would not appear desirable to attempt to dictate commercial bank policies in any detail.
- C. Savings banks and other savings institutions would be treated much as commercial banks are treated. They could be left in German hands, but the magnitude of allowable withdrawals from savings accounts would have to be determined in the light of the danger of inflation.
- D. There seems to be no reason to alter the rediscount rate, or to make any alterations in interest rate during the period of an armistice. Similarly, there seems to be no

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reason to alter the rate payable on government bonds. These rates would probably have to be reexamined at a later date in the light of a substantially changed economic situation.

- E. Industrial Finance. In recent years, investment in German industry has been financed largely out of internal business savings, but with the sudden cessation of war production many firms may find themselves with heavy inventories of raw and semi-finished materials and a shortage of liquid capital. Others, on the other hand, may find themselves with large accumulated balances in unexpended depreciation accounts and may therefore be in a very liquid position. The problem for M.G. should be to see as far as possible that enterprises which are ready and willing to continue civilian production, or to convert from war to civilian production, should not be prevented from doing so by reason of illiquidity or unavailability of credit facilities. In general this calls for a liberal credit policy both as regards bank loans and as regards access to the security market. Credit control should be centered in the Reichsbank which should be charged by the M.G. authorities with the responsibility for distinguishing between demands for genuine productive purposes and those for profiteering and speculative promotion. There are always many opportunities for the profiteer and the promoter in a period of economic dislocation, but their activities have an altogether harmful effect and should be discouraged in every way. This makes it especially important that a liberal credit policy, which is undoubtedly needed to maintain business investment, should not be perverted to serve the ends of the profiteer and the speculator.

## XII. PROPERTY CONTROL

### Problem

During an occupation, military authorities customarily take custodianship of certain categories of property in order to ensure military security. As a rule, these categories have not gone beyond the property of the enemy State and such other properties as are immediately required for military operations or for the use of the occupying forces. In the case of a totalitarian state like Nazi Germany, there has to be a considerable broadening of the concept of state property to include at least the property of the Nazi Party and its affiliated organizations. It could equally be argued that many large industrial combines like the Hermann Goering Werke are in reality instrumentalities of the Nazi state and should be treated as such. There are also various other categories of property which it might be considered wise to put under the custodianship of the military authorities pending a final determination of their disposition. These include, for example, property which has, by all except Nazi legal standards, been stolen from its rightful owners: property seized in occupied countries and transported to Germany, "Aryanized" property, property taken from

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political opponents of the regime, refugees, etc. That the present possessors of property of these classes should continue to enjoy their ill-gotten gains during the period of Allied occupation might seem both incongruous and intolerable. Finally, experience after the last war suggests that German collapse may be followed by "runs" on various types of property as nationals of countries which have been oppressed by Germany attempt to avenge or recompense themselves for their sufferings and losses by seizing property both inside the Reich and in regions bordering on Germany. Where such seizures are likely to occur, it could be argued that the occupation authorities should step in and conserve the threatened properties -- in somewhat the manner of a trustee in bankruptcy -- in order to facilitate the eventual orderly settlement of claims against Germany for restitution and reparation.

#### Possible Procedure

- A. It is assumed that the occupying authorities will in any case take charge of property of the German state, the Nazi Party and affiliated organizations, and such other property as may be needed for military purposes or for the security of the occupying forces.
- B. It seems also to be desirable for the occupying authorities to take custodianship of property which can be identified as having been removed by the Germans from territories formerly occupied by them.
- C. MG will undoubtedly want to take over the German enemy property control machinery and replace German administrators with administrators drawn from the respective countries whose nationals own property in Germany. Enemy property in Germany is registered with the Ministry of Finance, and the Commissar for Handling Enemy Property, who appoints and directs administrators for certain classes of enterprises, is under the Ministry of Justice.
- D. No suggestions are made as to the course of action which should be adopted with regard to the other classes of property described above. Factors which are important in reaching a final decision are:
  1. the actual state of affairs at the time of occupation, especially the prevailing degree of lawlessness and disorder, and
  2. the magnitude of the demands upon police and troops which an extensive program of property custodianship would involve in relation to competing demands for execution of other aspects of the occupation program.

#### III. CARTELS AND COMBINES

It would be impossible for MG to abolish or forbid cartels in Germany; they are much too deeply ingrained in German business practice. But it may be possible to regulate some of their more serious restrictive practices.

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Combines dominate all the key German industries -- coal, iron and steel, chemicals, electrical engineering, etc. -- and as a general rule the businessmen who control the combines have been strong backers of the Nazi regime. These institutions are in many ways just as important as government agencies and it is therefore just as important to purge them of Nazi influence. It may be that the best method of accomplishing this end will be to install Allied administrators in all firms with a capital of, say, RM 5 million or more in much the same way that the U.S., acting through the Alien Property Custodian, has installed administrators in Axis firms in its territory. These administrators would not be in a position to assume active direction of day-to-day business operations and policy, but they could devote themselves to problems of personnel, eliminating executives with a strong pro-Nazi record and promoting younger men with clear records and ability. They could also keep a close watch on the activities, records and accounts of the firms in order to forestall attempts at sabotage, re-armament, financing of disguised Nazi organizations, etc.

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NUCLEUS PLANNING STAFF  
(GERMANY)

US Group - Control Council  
5 August 1944

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CG, US FORCES, ETC  
Chief of Staff

ACTING DEPUTY  
EXECUTIVE

ADMINISTRATION, including  
SECRETARIAT

RELATION  
LIAISON

DIRECTOR  
(Armed Forces Div)

DIRECTOR  
(Mil Govt - Division "A")

DIRECTOR  
(Mil Govt - Division "B")

ALLIED  
PRISONERS  
OF WAR

DISPOSITION  
OF GERMAN  
ARMED FORCES

DISARMMENT

ECONOMICS

FINANCE

LEGAL

PROPERTY

TRANSPORTATION  
COMMUNICATIONS

Military  
Naval  
Air  
Para-Military

Military  
Naval  
Air  
Enemy War Materials and Information  
(Production, use and Disposition)

Industry  
Trade  
Food  
Agriculture  
Forests

Mil Cts  
German Cts  
German Laws  
Proclamations  
Ordinances  
War Crimes

Property Control  
Archives  
Records  
Arts and Monuments

Railways  
Merch Shipping  
Port Supervision  
Postal  
Telephone  
Radio  
Censorship

INTELLIGENCE

MILITARY GOVT  
BERLIN AREA

POLITICAL

PUBLIC SAFETY

DISPLACED PERSONS  
LABOR

PUBLIC  
WELFARE

Foreign  
Affairs  
Public  
Relations

Police  
Prisons

Public Health  
Religion  
Education

"True Copy"  
D.S. VAUGHAN  
Captain A.C.  
Secretariat

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APPENDIX 'C'

TERMS OF REFERENCE FOR INFORMATION BRANCH

## 1. This Branch will consist of:

a. Intelligence Section

- (1) Obtaining information from and maintaining liaison contacts with OSS, PID and other agencies from which information useful to the Division may be obtained.
- (2) Providing intelligence targets for "T" Force purposes and obtaining economic intelligence.

b. Reporting Section

- (1) Maintaining a file and library together with a supply of information materials and maps at G-5 Headquarters pertinent to the liberated and occupied countries.
- (2) Preparing summaries of Civil Affairs and Military Government reports for circulation within the Division.
- (3) Supplying information to C./Mil Gov agencies in the field.

c. Historical Section

- (1) Maintaining a record of the significant events, actions, documents and personalities in the planning, organization and conduct of Civil Affairs and Military Government in the Supreme Commander's Area of responsibility.
- (2) Preparing an historical account of the foregoing.
- (3) Coordinating and maintaining liaison relationships with other historical officers under the Supreme Commander.
- (4) Compiling G-5 Division War Diary.
- (5) Chief, Historical Section, is permitted free access to ACCS, DACCS, Executive and Chiefs of Branches. Historical Section is, further, authorized to deal directly with historical officers at Army Groups, Com Zone, War Office, War Department and Control Commission/Council.

d. Publications Section

- (1) Arranging for the printing and publication of various legislative documents, reports, forms, handbooks and other documents required to be supplied for Military Government/Civil Affairs operations and to provide for appropriate distribution.

e. Information Branch will, at the appropriate time and as requirements arise, set up a Translation Section. Personnel, as available, will be provided for this purpose.

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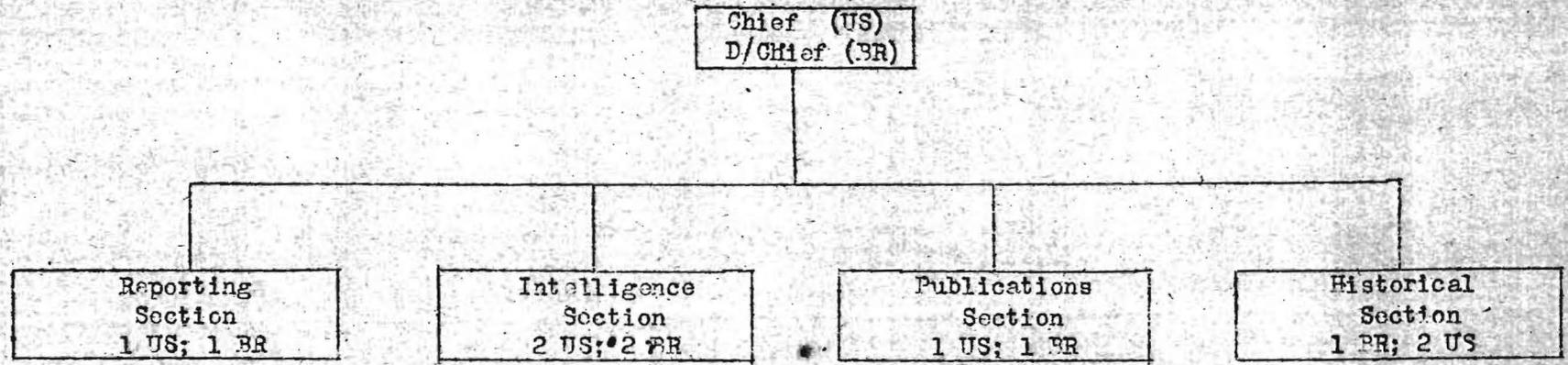
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ANNEX I to  
APPENDIX 'C'

INFORMATION BRANCH



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APPENDIX 'D'

TERMS OF REFERENCE OF ECONOMICS AND SUPPLY BRANCHCHIEF

Formulate policies on and supervise the administration of civilian supply and related economic factors in liberated and occupied territories to the extent necessary to facilitate the military objective of the Supreme Commander, AEF. This responsibility will be carried out within the framework of directives and instructions issued by the COS and CCAG, and of the overall operating policies developed in coordination with other staff elements at Supreme Headquarters, AEF.

D/CHIEF

Assist the Chief in the performance of his functions.

DEPUTY CHIEF FOR GERMANY

Assist the Chief in the performance of his functions which involve Germany.

EXECUTIVE OFFICER

- (1) Receive and assign action on matters referred to the Branch, or refer them to Chief or D/Chiefs, as appropriate.
- (2) Establish necessary procedures and maintain necessary follow-up to ensure prompt and adequate handling of action matters.
- (3) Review outgoing correspondence, and dispatch matters within an established policy without reference to the Chief or Deputies.
- (4) Supervise the general administration of the Branch.
- (5) Perform such other duties as may be assigned to him by the Chief or D/Chiefs.

PLANS AND POLICY

Assist in the formulation and clarification of SHAEF policies on economic questions. Advise SHAEF staff sections on problems involving such questions and review directives, handbooks and administrative memoranda in which major economic problems are involved to ensure that such statements are in accordance with directives from the Combined Chiefs of Staff, European Advisory Commission or appropriate agencies of the US/BR Governments.

Maintain close liaison with the European Advisory Commission and appropriate US/BR agencies such as the Control Commission/Council so that this Headquarters may be informed with regard to the most recent policies of the US/BR Governments on economic questions.

Formulate for presentation to the Combined Chiefs of Staff or to appropriate agencies of the US and BR Governments for decision, questions of economic policy not covered by existing directives.

SUPPLY LIAISON WITH DISPLACED PERSONS BRANCH

Act in a general liaison capacity on all matters involving the Branch which pertain to Displaced Persons. Coordinate supply programs with the needs of Displaced Persons and keep Displaced Persons Branch fully informed of supply and shipping programs.

REQUIREMENTS & RECURRENT SECTION

- (1) Determine from plans of current and future operations the territories and populations for which requirements will be planned, and transmit this information to other sections with instructions on the form and timing of requirements estimates.

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- (2) Through other sections obtain "screened" requirements, with justification statements, for "spot" items and for requirements programmed on the bases indicated above.
- (3) In coordination with other sections and other staff elements, consider and formulate recommendations on the location and extent of supply stockpiles needed to meet demands of present, and future operations, including consideration of requirements arising upon surrender.
- (4) Consolidate information on domestic surpluses available for export and obtain instructions from CCAC regarding their disposal; arrange through the Distribution Section to meet requirements in one area from surpluses in another area, and collaborate with G-4 on military requirements that may be met from domestic resources.
- (5) Consolidate import-requirement programs into suitable form, transmit them to supply authorities, and conduct negotiations on procurement in accordance with procedures established by CCAC.
- (6) In cooperation with other sections, revise requirements programs if necessitated by supply or shipping situation.

SHIPPING

Represent the Branch in all matters pertaining to the movement and shipping of civilian supplies. Coordinate Civil Affairs supply programs with military G-4 programs.

DISTRIBUTION SECTION

- (1) Prepare necessary instructions and directives involving distribution of imported civilian supplies.
- (2) Within the framework of COS and SHAEF policies and in collaboration with other staff elements, adopt and promulgate measures to ensure within reasonable limits that domestic resources are utilized to the maximum before use of imported relief supplies.
- (3) Obtain approved supply programs from the Requirements and Procurement Section.
- (4) Through the Requirements and Procurement Section, arrange for revisions of supply allocations in keeping with revised movement schedules.
- (5) Following establishment of supply and movement programs make allocations of supplies to Army Groups, other military headquarters, and hiatus areas.
- (6) In collaboration with other staff elements, arrange for the warehousing and central distribution of, and property accounting for, imported civilian supplies.
- (7) Collaborate with G-4 on the procurement of domestic civilian supplies to ensure coordination of civilian and military requirements.
- (8) Maintain central statistical records on civilian supply generally, and conduct statistical analyses for the Branch.

FOOD AND AGRICULTURAL SECTIONS (Liberated Areas) (GERMANY)

- (1) In accordance with COS and SHAEF directives develop statements of policy and directives and field instructions relating to food, agriculture, fisheries and forestry for the guidance of lower echelons.
- (2) Coordinate, through accepted staff procedures, the work of Army Groups, Missions and Com Z in these fields.

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Authority NND 760238

Entry SHAEF (1)

By SR NARA Date 2-9-00

File Dept, Rec Branch TAGO

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- (3) Prepare estimates of food production in relationship to overall food requirements for all areas and arrange for the planning and execution of production programs.
- (4) Screen all requirements and spot demands for the importation of food and agricultural, fisheries and forestry supplies, before transmittal to the Requirements and Procurement Section.
- (5) In cooperation with other sections of the Branch and divisions of SHAEF, coordinate the movements of food products from surplus to deficit areas.
- (6) In cooperation with other staff elements, develop plans and procedures relating to the re-activation of agricultural production and collection agencies and food processing and distribution machinery (including rationing and price control), to the end that food imports will be kept at a minimum.
- (7) Assist Army Groups in developing plans for deploying and briefing specialist officers in these fields.
- (8) Maintain records relating to agricultural and retail food prices and ration levels in liberated territories.
- (9) Cooperate with the E./US Navies, Army Groups and Com Z, on problems relating to the re-activation of fishing in coastal areas.
- (10) Develop policies, procedures and instructions relating to the re-activation of forestry control, and the production of forestry products.

#### PUBLIC UTILITIES SECTIONS (Liberated Areas) (GERMANY)

In close collaboration with engineering and other technical staff sections and with the various Headquarters operating under the direction of Supreme Headquarters, AEF, this section is responsible for policy and overall planning for such essential reactivation of power, water, other utilities as may be required to meet the direct needs of military forces and the minimum requirements of the civilian population.

#### GENERAL SUPPLIES SECTION (Liberated Areas)

- (1) Within the framework of overall policies and procedures, develop in cooperation with other sections of the Branch, represent the Branch in all considerations pertaining to the supply and economic aspects of particular commodities and industries, and prepare necessary instructions and directives pertaining thereto for the guidance of lower echelons.
- (2) In cooperation with the Requirements and Procurement Section and other staff elements of the Branch, supervise the preparation of and review of requirements programs for operational and hiatus areas for stipulated future periods.
- (3) "Screen" spot demands and advise on the suitability of substitutes.
- (4) In coordination with other elements, arrange for the planning and execution of domestic production programs to meet the relief objectives of the Supreme Commander.

#### INDUSTRIES & GENERAL SUPPLIES SECTION (GERMANY)

- (1) Prepare directives, administrative memoranda, technical instructions and similar materials relating to the following aspects of Military Government in Germany:

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By SR NARA Date 2-9-00

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- a. Mining and manufacturing industries (including controls exercised through such agencies as Reichsruppen, Reichsverwaltung and other industrial self-government agencies)
- b. Allocation of critical raw materials to essential civilian uses.
- (2) Giving technical assistance to Army Groups and other agencies of the Allied Expeditionary Force and for the coordination of Army Group operations with regard to the following:
- a. Personnel requirements for particular technical functions, related to German economy.
- b. Advice with regard to the German governmental and private agencies to be utilized for establishing Military Government control over German industry and related economic activities.
- c. Assistance in the development of standard procedures such as allocation of scarce materials, reporting of essential information to higher headquarters and similar problems.
- d. Safe guarding official governmental and industrial records.
- e. Advice with regard to types of industries, the continued production of which is required in order to attain the objectives of the occupation.
- (3) Coordinating with other divisions at Supreme Headquarters, AEF, particularly with regard to functions relating to industrial and economic aspects of Military Government in Germany, such as:
- a. SHAEF, Solid Fuels Section - with regard to regulation of German coal industry.
- b. C-4 POL Section - with regard to German liquid fuels industry.

TRADE, TRANSPORTATION AND LABOR SECTION - (GERMANY)

- (1) Prepare directives, administrative memoranda, technical instructions and similar materials relating to the following aspects of Military Government in Germany:
- a. Distribution and rationing of commodities other than food.
- b. Price control,
- c. Export - Import control.
- d. Labor - (Control of Landesarbeitsamt, including labor procurement conditions of employment, social insurance etc.)
- e. Transportation (involves particularly coordination with Gov & in of C-4 on transportation policy aspects of Military Government control of above industries and related activities).
- (2) Giving technical assistance to Army Groups and other agencies of the Allied Expeditionary Force for the coordination of Army Group operations with regard to the development of standard procedures such as for rationing, reporting of essential information to higher headquarters and similar problems.

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- (3) Coordinating with other divisions at Supreme Headquarters, AEF, particularly with regard to functions relating to industrial and economic aspects of military Government in Germany, such as:
- a. Gov & Tn and Military Railways Branches, G-4 - with regard to rail, inland waterways and motor transport.
  - b. G-4 Procurement Control Section - Procurement of labor and commodities.

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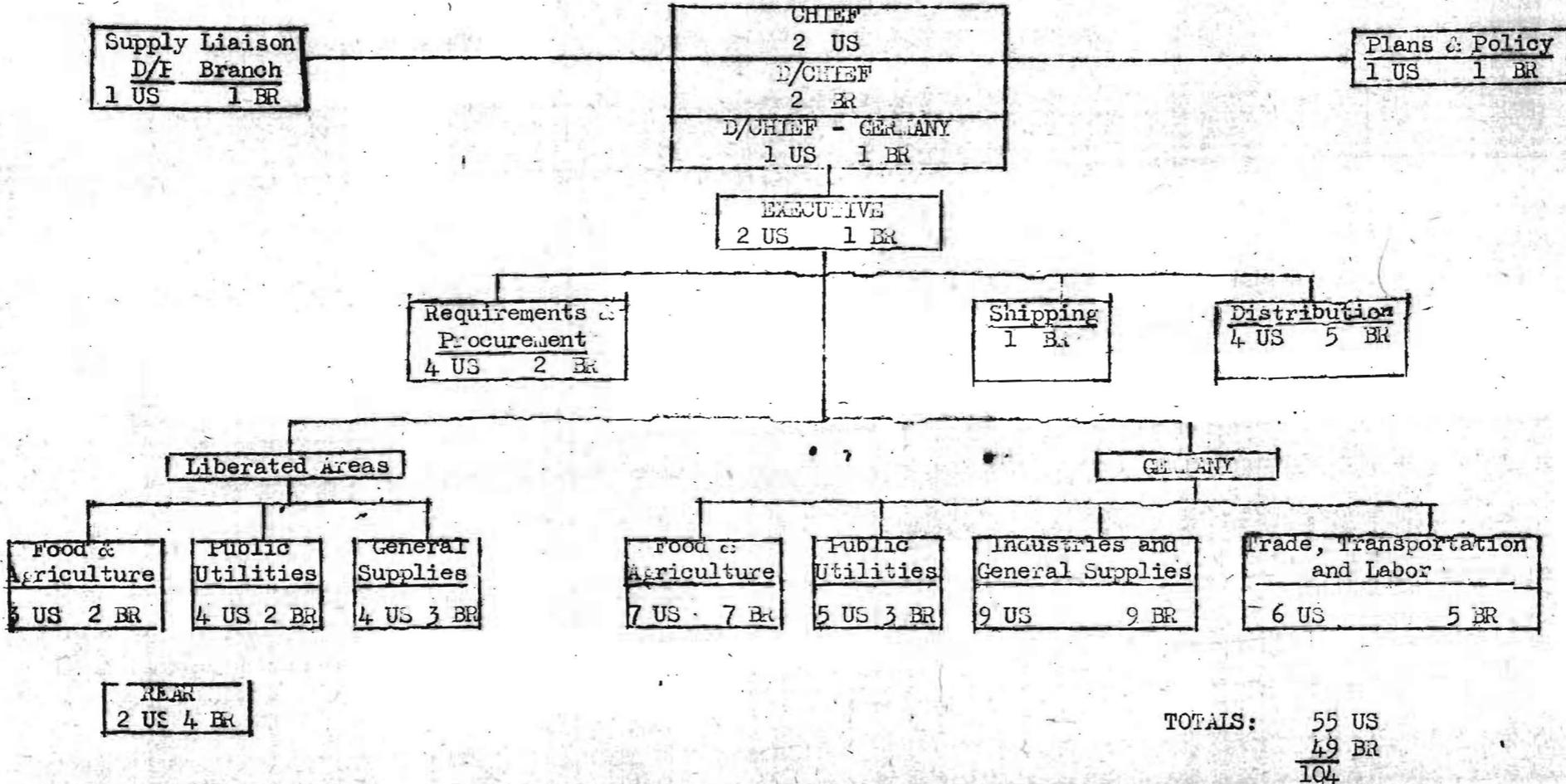
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ORGANIZATION OF ECONOMICS AND SUPPLY BRANCH

ANNEX I  
to APPENDIX 'D'



NOTE: Proposed positions under the German/ Section will be filled to the extent that officers or civilians are available from the Control Council/Commission. In positions not filled from this source it is planned to substitute civilians when officers with the necessary speciality qualifications are not available. Where positions are not authorized in SHAEF TO/WE, personnel will be carried on attached status.

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Authority NND 760238

By SR NARA Date 2-9-00

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Entry SHAEF (1)

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b. In coordination with G-2, to establish policy governing the seizure, control and dissolution of concentration camps and treatment of the internees.

c. To implement G-2 policy and responsibility for frontier control by appropriate instructions to the police organizations concerned. (Security policies respecting frontier control are the responsibility of G-2. Policies respecting movement of persons and property which involve political, financial or economic questions are the responsibility of the appropriate Branches of G-5).

d. To establish policies governing relationship of Public Safety officers and the German police with CIC and the Military Police.

e. To establish policies whereby the German police will assist CIC in its primary responsibility for the dissolution of the Nazi party and its subsidiary organizations, the arrest and internment of war criminals and all persons whose continued liberty is a threat to military security, and the discovery and suppression of subversive activities.

f. To plan for de-Nazification of police, civil defence and fire defence services.

g. To formulate policy for the assistance which Public Safety will give to all elements of Military Government in removal of Nazis and investigation of applicants for public appointments.

h. To establish policy for the enforcement of Military Government enactments and regulations of all types.

#### EDUCATION AND RELIGION SECTION

##### 6. Responsibilities of this Section are:

a. To produce policy governing supervision of the German educational system and handling of religious affairs.

b. To make necessary plans for re-opening of primary and, subsequently, secondary schools, including de-Nazification of personnel and curricula, eradication of Nazi discriminatory practices, and supply of textbooks.

c. To establish policy respecting all matters which have been the concern of the Reich Ministry of Education and the Reich Ministry of Ecclesiastical Affairs.

d. To establish policy respecting the establishment of new youth organizations.

e. To establish policy respecting the Church in education and politics.

f. To consider with the Control Commission/Council the formation of an affirmative education policy. (In this connection it will consider the proposed activities of PWD respecting the re-education of Germany).

g. To develop policy covering abolition of military training, in conjunction with appropriate divisions of SHAEF and the Control Commission/Council.

#### MFA & A SECTION

##### 7. Responsibilities of this Section are:

a. To provide policy and direction for military authorities in matters concerning the use of buildings or sites or the contents of buildings.

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Authority NND 760238

Entry SHAEF (1)

By SR NARA Date 2900

File Dept, Rec Branch 1600

Box 46

of special scientific, historical, or sentimental importance in liberated Allied territory.

b. To provide policy respecting the location, safeguarding and preservation of movable works of art and objects of scientific or historical importance, to make possible the restitution of such of them as may have been looted from United Nations Nationals or institutions.

c. To maintain close touch with those authorities in liberated territories whose business it is to concern themselves with problems of restitution of works of art, etc., looted by the enemy and to relate their activities to military needs.

d. In coordination with Financial Branch (Property Control Section) and Legal Branch, to coordinate policy respecting prohibition of the sale, transfer and movement of movable works of art in Germany.

e. To provide policy respecting the preservation of structures, objects or documents of cultural, artistic, archeological or historical value. (In this connection it will prepare a list of monuments of Western Germany, respecting which certain restrictions on use for military purposes are imposed).

f. To provide policy with respect to handling of civilian agencies charged with care of monuments and fine arts in Germany.

g. To provide policy respecting the control of German museums.

h. To establish in detail a division of responsibility between G-5 and G-2 respecting German archives and records and to provide a workable system whereby access may be had to such archives and records by everyone concerned. (The various functional sections of G-5 are primarily responsible for preservation of the records and archives of their respective functions, but this Section will coordinate policy, will maintain liaison with G-2, and will work out methods of access).

#### COMMUNICATIONS SECTION

8. The proposed responsibilities of this Section are:

a. To establish policy for general supervision of all activities of the Reichspost, including civilian postal and electrical communications, savings system, postal check and transfer system, and motor transport.

b. To coordinate policy with Signals Services to ensure that the Reichspost furnishes all electrical facilities required for military communications.

c. To coordinate policy with Signals, FWD and G-1 to ensure that the Reichspost furnishes all radio broadcast facilities and equipment required by these Divisions and that the Reichspost operates no broadcasting facilities except under control of FWD.

d. To coordinate policy with G-2 to ensure that Reichspost civilian postal and electrical facilities are opened and operated in accordance with prescribed censorship procedures.

e. To make plans to use of Reichspost communications facilities by Military Government (particularly displaced persons) if such facilities cannot be provided by Signals Services.

f. To coordinate policy with Transportation Section of Economics Branch and with G-4 respecting Reichspost motor transport services.

g. To coordinate policy with Financial Branch respecting Reichspost savings and postal check and transfer systems and postage stamps

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By SR NARA Date 2-9-00

RG 331

Entry SHAFF (1)

File Dept. Rec Branch 1600

Box 46

h. To plan for the handling of communications to and from prisoners of war and displaced persons, in coordination with Army Postal authorities, Displaced Persons Branch, P.M., and the Red Cross.

i. To plan for the handling of governmental and transit communications, in coordination with the Political Advisers and G-2.

j. To coordinate plans for control of the Reichspost with requirements to be imposed under the surrender instructions.

k. To establish policy for de-Nazification of Reichspost, including removal and appointment of officials and elimination of discriminating practices.

PUBLIC WELFARE SECTION

9. Responsibilities of this Section are:

a. To establish policy for supervision of the German Welfare agencies.

b. To provide policy governing de-Nazification of Welfare agency personnel, elimination of Nazi Welfare organizations and transfer of their essential functions, and the elimination of Nazi discriminatory practices from the Welfare system.

c. To make plans to ensure that the German Welfare agencies meet the requirements of United Nations displaced persons (which will be formulated by Displaced Persons Branch).

ORGANIZATION CHART

10. An Organization Chart of the proposed Internal Affairs Branch, showing number of officers required, appears at Annex I to this Appendix. A total of 16 officers is called for.

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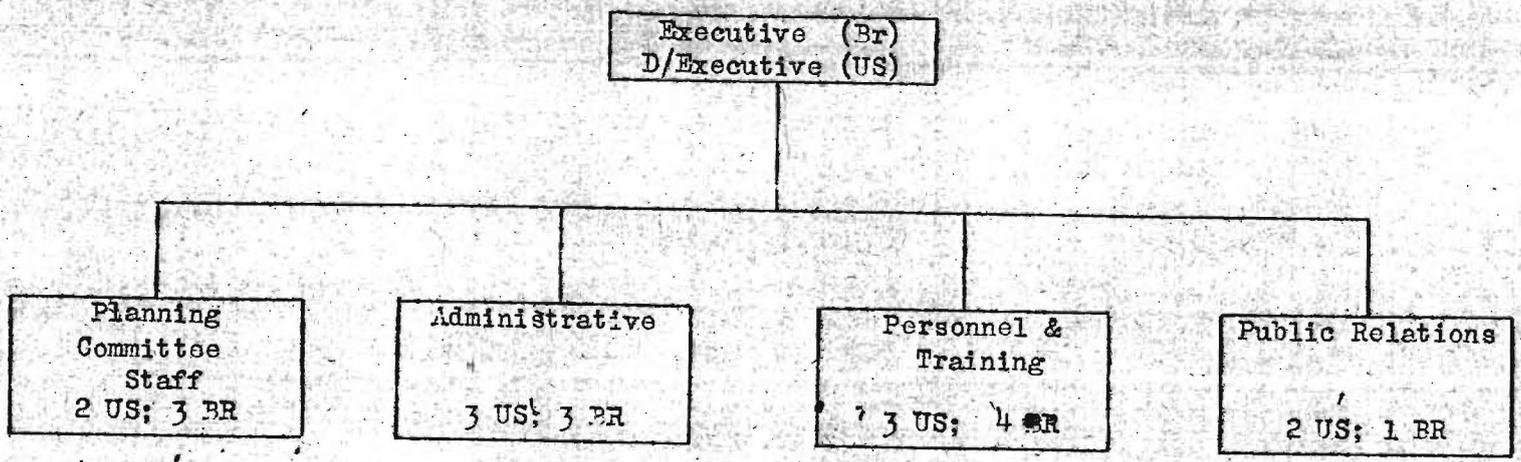
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ANNEX I to  
APPENDIX (B)

OFFICE OF THE EXECUTIVE



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 12 BR  
 23

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TERMS OF REFERENCE OF THE OFFICE OF THE EXECUTIVEEXECUTIVE AND DEPUTY EXECUTIVE

1. The duties and responsibilities of the Executive, assisted by the Deputy Executive, will be as follows:

a. To pass to Branches the orders of A.CCS and D.CCS. (This in no way is intended to imply that the practice of Chiefs of Functional Branches having direct access to A.CCS and D.CCS should in any way be changed).

b. To be responsible for the organization and administration of the Division.

c. To coordinate the common functions required in the day to day operations of the Division.

d. To supervise the "Groups" designated immediately below.

e. To coordinate all policy, instructions, papers and documents required within the Division.

ADMINISTRATIVE GROUP

2. This Group will be responsible under the Executive for:

a. Supervising and controlling the office operational functions.

b. Receiving, classifying, registering, routing and filing all documents, cables and papers directed to or originating in the Division.

c. Providing secretarial service for meetings and conferences called by the A.CCS and D.CCS, including arranging agenda, circulating calls for meetings, recording and issuance of minutes of such meetings.

d. Maintaining a central registry.

e. Operating a cable section for receipt, dispatch and file of cables and messages.

f. Maintaining a duty roster.

g. Arranging for travel and orders for travel of personnel and providing transportation.

h. Arranging for and supplying necessary office supplies and equipment, lighting, telephone and other services.

i. Providing for the administration of personnel assigned or attached to the Division.

j. Maintaining as required forward or rear echelons of the Division.

PUBLIC RELATIONS GROUP

3. This Group will be responsible for:

a. Providing information concerning G-5 Division and Military Government/Civil Affairs matters to the public through all authorized channels.

b. Maintaining liaison contact with the Public Relations Division and Psychological Warfare Division of the Supreme Headquarters.

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By SR NARA Date 2-9-00

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c. Formulation of public relations policy with respect to the G-5 Division and Civil Affairs/Military Government activities.

d. Keeping other Branches informed of press reactions, actual and prospective to CA/Mil Gov policy.

NOTE: It is understood that this Group will work freely with ACCS and DECS and Chiefs of Branches.

#### PERSONNEL AND EQUIPMENT GROUP

4. This Group will be responsible for:

a. Developing policies and plans for and exercising of control of procurement, assignment/posting, transfer, replacement and promotion of Civil Affairs and Military Government personnel. In relation to British personnel, this includes Executive action in relation to War Establishment, postings of personnel to and from G-5 Division, SHAEF, and the G-5 components of SHAEF Missions.

b. Organizing and equipping Civil Affairs and Military Government staffs and units operating in the field.

c. Maintaining general statistics and records relating to Civil Affairs and Military Government personnel and equipment.

#### PLANNING COMMITTEE STAFF

5. This Staff will be an administrative responsibility of the Executive. (See covering letter for terms of reference).

6. Total officer strength of the Office of the Executive, including Planning Committee Staff, will be 23 (11 US; 12 BR). (See Annex I attached).



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Authority WND 760238

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SUPREME HEADQUARTERS  
ALLIED EXPEDITIONARY FORCE  
G-5 Division

RESTRICTED

*file or destroy*

SHAEF/G-5(Ex)/3508

24 March 1945

SUBJECT: Reorganization of G-5 Division.

TO : All Branches.

1. Under date of 23 February, file and subject as above, announcement was made of the reorganization of G-5 Division with effect from 1 March 1945. The subject paper did not, however, make reference to Supply and Economics functions. Decision has now been made on the reorganization of Supply and Economics Branch, and terms of reference and organization, chart will be found at Appendix 'D' of this paper. In order to provide in a single publication an overall picture of the current organization of the Division, the terms of reference and organization charts for all other Branches as reproduced under date of 23 February 1945 are also attached.

2. The Division, under the direction of ACOS and DACOS, G-5, consists of:

a. The Executive, supervising four groups: Administrative, Personnel and Equipment, Public Relations, Planning Committee Staff.

b. Seven Functional Branches:

Financial and Property Control  
Displaced Persons  
Legal  
Supply and Economics  
Public Health  
Internal Affairs  
Information

3. In addition to the above described organization, there is a Planning Committee composed of representatives of the following Branches:

Financial and Property Control  
Legal  
Internal Affairs  
Displaced Persons  
Supply and Economics  
Public Health

When problems affecting any part of G-5 not represented on the Planning Committee are to be discussed, the Chairman will arrange for appropriate representation. The Chairman of the Planning Committee is the Chief of the Internal Affairs Branch, or in his absence his Deputy.

Members of this Committee are normally designated on the Chief and Deputy Chief, of Branch level. The Committee considers and reports on such matters as are referred to it by ACOS, DACOS, or the Executive. Its primary function is the consideration of overall plans for post-hostilities operations, but it does not confine its activities to post-hostilities or necessarily to Germany, and may itself suggest for approval by ACOS or DACOS by preliminary report or otherwise matters of policy and planning which in its opinion should be considered and reported on.

To assist the Committee in its work, a Planning Committee Staff composed of five (5) officers (2 U.S., 3 BR) has been appointed. This staff is responsible administratively to the Executive. It receives its orders and directions on planning from the Chairman of the Committee. It maintains separate register of documents and correspondence.

4. Organization of G-5 is set out in the chart at Appendix 'A'. The terms of reference of its various components are as set forth in Appendices 'B' to 'I' inclusive.

For the ACOS, G-5:

H. PRICE-WILLIAMS  
Brigadier  
Executive

G-5 Distribution "A"

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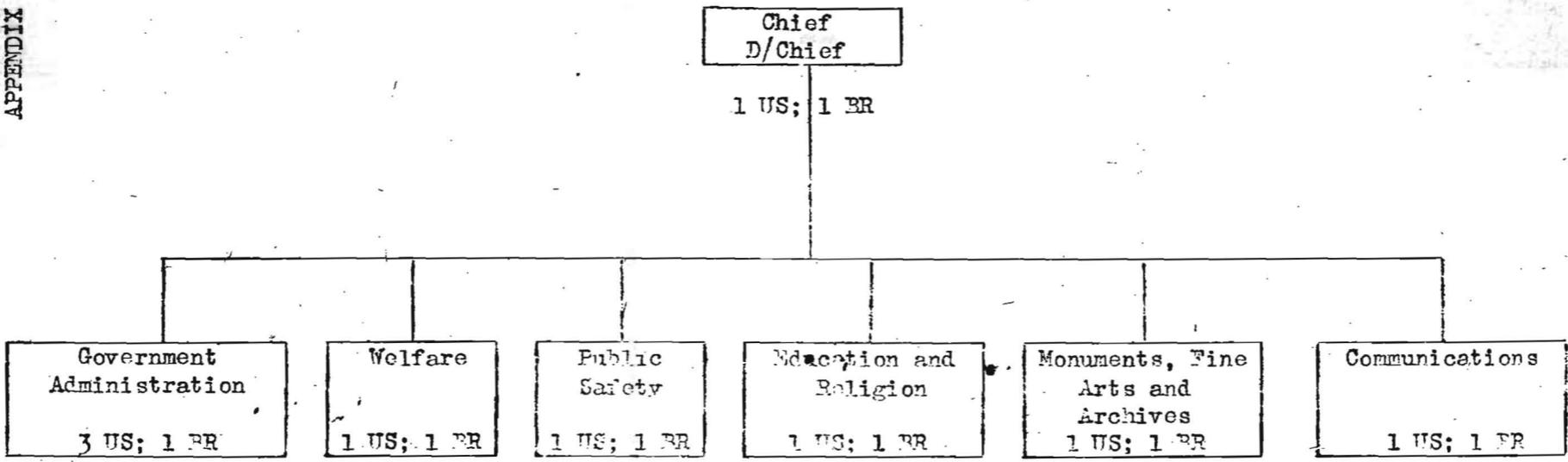
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ANNEX I to  
APPENDIX 'E'

ORGANIZATION OF INTERNAL AFFAIRS BRANCH



Totals: 9 US  
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## APPENDIX 'F'

TERMS OF REFERENCE OF THE PUBLIC HEALTH BRANCH

1. The responsibilities of the Public Health Branch (organisation shown on Annex I attached) are as follows:

a. To prepare and submit policies and procedures for public health operations under Civil Affairs/Military Government.

b. To plan and coordinate the provision of resources for prevention and control of disease among civilians or animals which might interfere with military operations.

c. To prepare, evaluate and disseminate data concerning disease, epidemics, and resources of all natures for public health operations.

d. To coordinate Civil Affairs/Military Government Health Operations with military medical services and by such coordination to insure efficient utilization of all resources.

e. To assure availability for distribution of medical supplies necessary to prevent or control diseases which might affect or interfere with military operations.

f. To maintain proper relations necessary to obtain information, support or other aid from non-military agencies for public health purposes.

g. To advise with the personnel and equipment section of the Executive in order to coordinate the assignment of public health functional personnel in order that the most effective use may be made of them.

h. To examine, review, correlate, analyze and evaluate intelligence, data or information from all sources relative to public health.

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APPENDIX 'G'

TERMS OF REFERENCE  
AND

TO/WE FOR FINANCIAL and PROPERTY CONTROL BRANCH

1. Financial Branch of G-5 Division is organized into General Finance, Currency, Property Control, Accounts, Audit and Financial Intelligence Sections. The duties of these Sections are as follows:

a. General Finance

- (i) Foreign Exchange Control.
- (ii) Central and Local Government taxation and expenditure policy.
- (iii) Central and Commercial banking policy.
- (iv) Policy with regard to Financial Services of the Post Office (in consultation and agreement with PT & T).
- (v) Policy with regard to Private Insurance Companies.
- (vi) Policy with regard to financial aspects of Social Insurance, (in conjunction with Labour Officer Supply & Economics).
- (vii) Policy regarding supervision and control of Stock Exchanges.
- (viii) Policy affecting the disbursement of military government funds, including advances to public bodies and private institutions.

b. Currency

- (i) Ensuring adequate supplies of currency for the needs of the Allied Armies and Military Government.
- (ii) Co-ordinating the activities of all currency sections with SHAEF policies.
- (iii) SHAEF policy in matters requiring liaison between the armies and the governments of the liberated territories on all currency matters.
- (iv) Assisting Central Banks and Treasuries in the liberated territories to obtain their new currencies from Britain and the USA.

c. Property Control

- (i) In liberated territories, acting as a liaison with the Allied Governments by transmitting data, collected by CA detachments in the field through diplomatic channels. This function will progressively disappear as consular agents are established.
- (ii) In conquered enemy territory:
  - (a) Laying down policy for the protection of property owned by United Nations Governments of the nationals thereof.
  - (b) Evolving policy with respect to control of properties enumerated in Law No. 52.
  - (c) Determining in conjunction with G-4 and Supply and Economics Branch in policy affecting the operation of war plants in Germany.
  - (d) Planning, in conjunction with G-4 and Supply, Economics, Legal and other interested Branches, policy with respect to such reparation and restitution as is likely to take place during the SHAEF period of responsibility.

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d. Accounts

- (i) Study and implementation of accounting directives proposed or issued by higher authority in regard to cash and supply accounting.
- (ii) Development and revision of accounting and reporting procedures relating to the responsibilities of the Financial Branch, including currency transactions by Sub-Accountants, Property Control, restitution of property and issues of supplies to National Governments of liberated territories.
- (iii) Review and comments on reports submitted by SHAEF Missions to France, Belgium and the Netherlands and the Army Groups on CA/Mil Gov use of funds and distribution of supplies.
- (iv) Rendering of assistance to Supply and Economics Division and Displaced Persons on accounting problems arising from their activities.

e. Audit

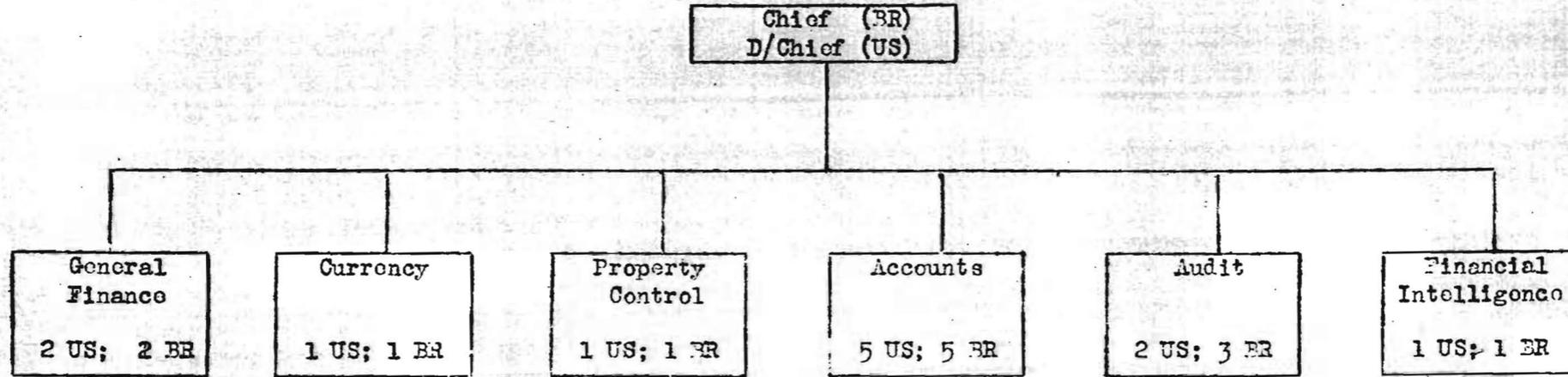
- (i) Audit of the records of Currency Sections for France, Belgium, the Netherlands and Germany.
- (ii) Audit of the cash accounts of the Army Groups and SHAEF Missions to France, Belgium and the Netherlands.
- (iii) Field audit of Sub-Accountants' records.
- (iv) Audit of the records of Civil Affairs Depots in the British Zone.

f. Financial Intelligence

- (i) Studying the financial activities of CA/Mil Gov in the field with a view to checking practices and their relation to existing policy directives.
- (ii) Co-ordination with Supply and Economics Branch where the fields of Finance and Economics are contiguous.
- (iii) Studying the effects of troop spending on the economics of the liberated and occupied territories and the relationship of the rate of exchange thereto.
- (iv) As an aid in complying with the CCS request for information necessary for the establishment of a rate of exchange for the Reichsmark, the collection of up-to-date statistics of wages, wholesale and retail prices, black market prices, technique of wage and price control, etc.
- (v) Information on practices employed by Germans in finding refuge for their financial assets inside and outside Germany.
- (vi) Data on recent German Financial Laws, Ordinances, Decrees and Proclamations.

ORGANIZATION OF FINANCIAL & PROPERTY CONTROL BRANCH

ANNEX I to  
APPENDIX 'G'



Totals: 13 US  
14 BR  
27

Figures on total strength have not yet been finally approved.

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APPENDIX 'H'

TERMS OF REFERENCE  
AND  
TO/WE FOR LEGAL BRANCH

1. The functions of the Legal Branch, G-5, are as follows:

a. Furnishing legal advice to JAGOS and DAGOS and to all Branches of G-5. Legal advice is also furnished, as requested, to all other Divisions of SHAEE and to SHAEE Missions because there is no other British-American legal staff to perform this function.

b. Preparation, and supervision and coordination of action taken to carry out, directives and instructions of Supreme Headquarters relating to legal policy and legal administration for Civil Affairs in Allied countries and for Military Government in Germany.

c. Drafting, and reviewing translations and steps for issuance of Military Government (Germany) enactments of the Supreme Commander and reviewing enactments of lower formations as to their legal sufficiency and conformity with policy of Supreme Headquarters relevant to such enactments.

d. Preparation and supervision and coordination of action taken to carry out directives and instructions of Supreme Headquarters relating to Military Government (Germany) prison policy and administration.

e. Review of statistics, reports and decisions of Military Government Courts and of other actions taken by lower formations, including Supreme Headquarters Missions, with respect to legal and prison matters and the issue of coordinating directives and instructions to ensure uniformity and accord in respect of such matters with policy of Supreme Headquarters.

f. Reviewing other directives and instructions of G-5 Division Supreme Headquarters, relating to Civil Affairs or Military Government (Germany) and directives and instructions of other Divisions relating to the functions of this Branch.

g. Providing to all Branches of G-5 and other Divisions of SHAEE technical legal research in matters of German law and administration.

h. Collecting and distributing to all Branches of G-5 SHAEE, to British Element Control Commission; to US Group Control Council; to Army Groups, German legal books and publications of German legal intelligence.

2. The proper performance of these functions requires close coordination with the British Element, Control Commission and US Group Control Council, and the several Army Groups, and incidental thereto liaison with the Foreign Office, War Office, and Law Officers of the British Government, and with the American Embassy in London and particularly the Military Adviser to the US Ambassador.

3. The technical legal information, research and advice in matters of German law and the German translations of legal documents are furnished by a group of officers and ORs/EM (known as the Special Legal Unit - Germany and Austria). This group consists principally of German qualified lawyers and others familiar with German legal language and statutes. The Special Legal Unit (which has no TO/WE) works under the supervision and general direction of the Legal Branch. The personnel of the unit except for 2 EM's carried on the Legal Branch's TO are carried by US Group CC, British Element Control Commission, CA Groups, ECAD and OSS.

4. In addition to the other activities, Legal Branch is at present supervising this compilation of white lists of German legal personnel for distribution to Army Groups.

5. Officer strength will be 8 (4 BR; 4 US). The Branch functions as a unit with no subordinate sections.

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## APPENDIX 'I'

TERMS OF REFERENCE OF DISPLACED PERSONS BRANCH

1. The care and maintenance of United Nations displaced persons in Germany is a command responsibility, which will require the use of troops in addition to military government personnel. However, G-5 will be responsible for policy and planning, and will coordinate special activities where necessary at lower echelons.

2. This Branch is responsible for the care and maintenance of United Nations displaced persons and for the control of enemy, ex-enemy, and co-belligerent displaced persons and enemy refugees within the area of responsibility of the Supreme Commander.

3. It is responsible for the repatriation of as many United Nations displaced persons as may be possible during the Supreme Hq, AEF, period.

4. UNRRA staff officers are integrated with military staff officers and are working members of the Branch. They will be similarly integrated at lower echelons. UNRRA assembly center teams will operate in the field, under military control.

5. Chief Allied Liaison Officers for Repatriation are attached to the Branch. Their functions are:

a. To provide liaison with their respective Allied governments in matters concerning general and inter-governmental repatriation policies.

b. To supervise policy regarding the identification of and issuance of visas to Allied Nationals.

c. To assist in the preparation of technical instructions regarding repatriation and registration.

6. Because of its long-term character much of the work in connection with displaced persons will be continued in the period following the dissolution of Supreme Headquarters. This necessitates the closest possible cooperation with the Control Commission/Council for Germany. Personnel from both Commission and Group are attached to the Branch.

7. The lay-out of the Branch, as indicated in Annex I, is based on the assumption that other Branches of G-5, such as Supply and Economics, Public Health, Financial and Property Control and Internal Affairs, will include provision for displaced persons and refugees in their programmes, and that the responsibility of this Branch is confined to liaison with them.

8. Officers assigned and attached will total 27 (12 US, 15 BR) including CC/Cc personnel.

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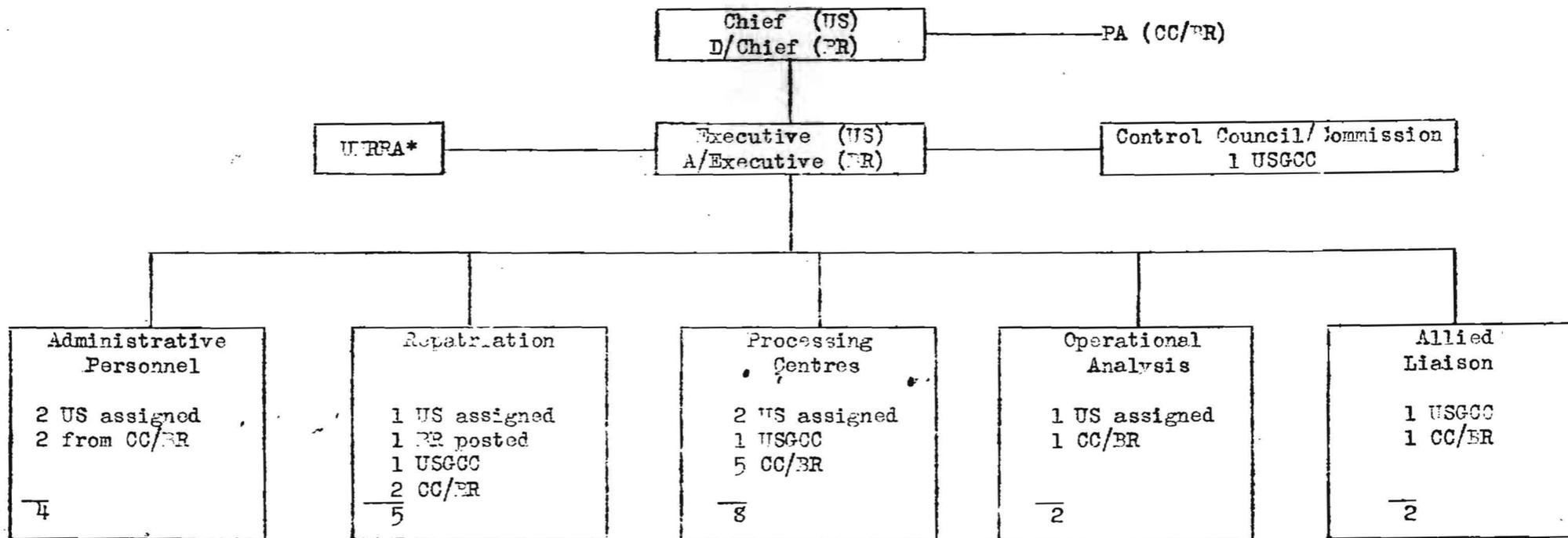
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ANNEX I to  
APPENDIX II

ORGANIZATION OF DISPLACED PERSONS BRANCH



Total Required: 27  
(8 US; 3 PR; 4 USGCC; 12 CC/PR)

\*UNRRA personnel and Allied Liaison Officers will be attached as required.

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SHAEF FWD - Office of Chief of Staff ✓

RESERVOIR

SUPREME HEADQUARTERS  
ALLIED EXPEDITIONARY FORCE  
G-5 Division  
Financial Branch

MAT MOYNE *MM*  
JR / COR ROBERTSON *RR*

SHAEF/G-5/FIN/19

19 February 1945

SUBJECT: CO-ORDINATION BETWEEN SHAEF FWD  
AND SHAEF MAIN, G-5 FINANCIAL BRANCH.

X File No -  
201 Babington-Smith

TO : Ops Branch, G-5 Division.  
(for distribution to all divisions and branches and SHAEF, FWD.)

1. For the purpose of enabling officers at SHAEF FORWARD to recognize immediately matters in which Financial Branch G-5, SHAEF MAIN, have an interest and should be consulted before action is taken, the following outline of functions of Financial Branch G-5 is given:-

- a. All matters pertaining to currencies of US/UK, liberated countries and Germany.
- b. Supplies and distribution of postage stamps.
- c. Local and government finance, including budgets, taxes, expenditures and control of all financial arrangements.
- d. All matters requiring financial advances or settlement between governments as a result of military, Military Government or Civil Affairs operations.
- e. Foreign exchange control, including payment for services and supplies in currencies of US/UK liberated countries or Germany. (Mil Gov Law No. 53).
- f. Control of German financial institutions, public and private, including insurance companies, stock and commodity exchanges, banking or credit organizations.
- g. Property control including properties of the United Nations or their nationals, Nazi party or persons' properties etc., to the extent to which property control is involved. (Mil Gov Law No. 52).
- h. Accounts and Audits, including procedures and policies for accounting for any of the foregoing matters, as well as supply accounting for Military Government & Civil Affairs use, etc.
- i. The financial control of governmental financial, commercial and industrial organizations.
- j. Control of government monopolies, cartels etc. from the fiscal point of view.
- k. Postal savings and giro systems (transfer of funds in the postal system).
- l. Control of proposed loans or advances to governmental or private agencies and organizations - the procedure and accounting therefor.
- m. Financial intelligence of all sorts relating to any of the foregoing matters or the personnel or institutions involved or affected thereby.

For Assistant Chief of Staff, G-5,

16 1415

M.J. BABINGTON-SMITH,  
Brigadier,  
Chief, Financial Branch G-5.

See 2

1A

322.01 G-5

19 Feb

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By DR NARA Date 2-9-00

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Entry SHAEE (17)File Gold Cup Plan

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TO **CONFIDENTIAL**By authority of CALA  
By Victors Capt.Date 11/8/45~~SECRET~~

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22nd April 1945.

SUBJECT: Plan ~~'GOLD CUP'~~ Supreme Headquarters AEF Representation on Advance Party, Supreme Headquarters AEF Special Echelon.

TO : Acting Chief Intelligence Section, Headquarters U.S. Group C.C. (1)

1. In Plan ~~'GOLD CUP'~~ (GCT/312.1-4/3/FP 25 March 1945) it is stated that contact with the Russians and the making of preliminary plans for the establishment of the Central Control Commission is, though not its entire mission, the responsibility of an organization to be known as the "SHAEE Special Echelon", which will be composed of elements of staff divisions of Supreme Headquarters AEF and of the Control Commission/Council.

2. Since it is essential to establish a close coordination with the Russians if there is to be an effective censorship in GERMANY arrangements have been made for the inclusion of a censorship officer in the Supreme Headquarters AEF Special Echelon. It seems logical in the interests of coordinated planning and continuity of operation following the change-over from Supreme Headquarters to Central Control Commission that the Supreme Headquarters AEF Special Echelon censorship officer should be one well versed in both Supreme Headquarters AEF censorship planning and the longer range Control Council point of view.

3. Lt. Col. Ronald M. HUBBS as the War Department censorship representative in the European Theater of Operations (while assigned as Chief, M.I.D., Deputy Censorship Office, LONDON) participated to a great degree in the Supreme Headquarters AEF planning for censorship in GERMANY. His subsequent work on your staff has given him the longer range point of view. Moreover, it is considered that Lt. Col. HUBBS possesses the personal qualifications necessary to ensure, so far as possible, that satisfactory results will be achieved.

4. It is desired therefore that if you have no objections, arrangements may be made at the appropriate time to attach Lt. Col. HUBBS to the Supreme Headquarters AEF Special Echelon to carry out such duties as directed by this Division. It is understood that he will, at the same time, perform such functions for your organization as may be agreed upon.

5. Your concurrence or comments are requested as a matter of urgency.

(Sd)  
T. J. BETTS,  
Brigadier General, GSC,  
D/A C of S, G-2.

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By DR NARA Date 2-9-00

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ANNEX XXXI

ALLIED OCCUPATION AND CONTROL OF GERMANY

BASIC PRELIMINARY PLAN

ADMINISTRATION

I N D E X

SECTION I

GENERAL PROVISIONS

	<u>PARAS</u>	<u>PAGE</u>
References	1	1
Assumptions and Definitions	2	1
Mission	3	1

SECTION II

ORGANIZATION OF HEADQUARTERS SECTIONS

General	4	2
The Secretariat	5	2
The Adjutant General's Section	6	2
Personnel Section	7	3
Chief Administrative Officer and Executive Officer	8	3

SECTION III

HEADQUARTERS COMMAND

Organization	9	3
Mission	10	3
Accommodations	11	4
Messes	12	5
Security	13	5
Transportation	14	5
Other Services	15	6
Supplies	16	6

Communications

Par. 17 & Appendix A.

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SECRETHEADQUARTERS  
U S GROUP C C  
APO 742SECRET  
AUTH: CG, HQ, US Gr. CC  
INIT: YF  
DATE: 13 March 1945ANNEX XXIADMINISTRATIVE PLAN US GROUP CC

## SECTION I

## GENERAL PROVISIONS

1. REFERENCES

- a. General Order No 80, Headquarters, ETOUSA, dated 9 August 1944.
- b. Operation "ECLIPSE" Appreciation and Plan. (SHAEF (44) 34, 10 November 1944).
- c. "ECLIPSE" Memoranda 1, 9, and 17 (when issued).
- d. SHAEF Directive for Military Government of Germany, prior to defeat or surrender, dated 9 November 1944.
- e. Letter, ACOS G-4, SHAEF, (SHAEF/226/GDP-2), Subject: House-keeping of the US Group CC, dated 13 January 1945.
- f. Planning Directive for the Organization of BERLIN District, PS SHAEF (44) 42 GCT 387.4-20/PPP, dated 31 January 1945.
- g. Basic Preliminary Plan, dated 15 February 1945, pars 4e, 13b, 15c, 17 and 25.

2. ASSUMPTIONS AND DEFINITIONS

- a. This annex is an overall plan for administration necessary for the operation of US Group Control Council (Germany).
- b. As used in this Annex, "Administration" is the management, coordination and operation of all headquarters functions pertaining to a military organization. It includes supply, quartering, messing, security, personnel management, maintenance, transportation and the channels of communication and command.
- c. The term "Headquarters" refers to the element of the US Group Control Council (Germany) organized to insure the proper administration of the Group.
- d. The term "Headquarters Command, US Group CC" refers to the housekeeping and service organization assigned to the US Group Control Council (Germany).

3. MISSION

- a. See paragraphs 4e and 14a of Basic Preliminary Plan, for general mission and functions of US Group CC during Control Council Period.

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b. The mission of Headquarters, US Group Control Council (Germany), from an administrative standpoint, is to provide for the administration on a staff level of the functional Divisions and other elements of the US Group Control Council (Germany) and to disseminate orders and instructions in conformity with directives and policies of the Commanding General, European Theater of Operations (C in C of US Forces) in his capacity as member of the Allied Control Council. In addition, it will provide living accommodations, equipment, supply and supervision required for the operation and maintenance of the US Group Control Council (Germany) through a Headquarters Command.

## SECTION II

## ORGANIZATION OF HEADQUARTERS SECTIONS

4. GENERAL

The organization of Headquarters US Group Control Council (Germany) is presented functionally in Inclosures 1 to 6, inclusive. Listed below are the duties and responsibilities of the various sections of Headquarters which have administrative functions.

5. The SECRETARIAT

a. This section will consist of a secretary, administrative, coordinating and liaison personnel and interpreters.

b. This section will:

- (1) Process, edit, proof, draft when necessary, route, follow up for action and insure that necessary concurrences have been obtained, in all communications to and from offices of the Deputy and his assistants, Planning Coordination Section and the twelve principal Divisions, and the Public Relations and Information Control Services of the US Group CC.
- (2) Maintain and operate a message center and office of temporary record to serve these offices.
- (3) Maintain a stenographic and interpreter pool.
- (4) Act as Executive Secretary to the offices, exclusive of the twelve principal Divisions.

6. The ADJUTANT GENERAL'S SECTION

This section is charged with the following responsibilities:

a. The authentication and publication of official documents of US Group Control Council (Germany), including correspondence, orders, memoranda, directives and other similar material.

b. The maintenance of stocks of publications of other headquarters and the reproduction thereof when necessary or desirable.

c. The receipt of incoming material, and its registry and distribution to elements of US Group Control Council (Germany), the routing of material between Divisions, and the registry and dispatch of outgoing mail. See Routing Chart, Inclosure 6.

d. The handling, including receipt, publication, distribution and registry of TOP SECRET documents, and the complete control of documents of this classification in whatever form they may be.

e. The receipt, control, registry, and dispatch of teletype (TWX) and similar messages. See Routing Chart, Inclosure 6.

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f. The maintenance of official records of the US Group Control Council (Germany), and the check of outgoing correspondence to insure completeness, uniformity and compliance with directives of higher authorities.

g. The maintenance of personnel records with the related functions of travel orders, assignments, rosters, reports, and the administrative handling of personnel.

h. The handling of miscellaneous administrative matters for US Group Control Council (Germany) which require coordination of Divisions, consultations with personnel, and recommendations of action.

7. PERSONNEL SECTION.

This section is charged, under direction of the Deputy, with the procurement, transfer, assignment within the Group, promotion, relief, and control of officers and enlisted men of the US Group Control Council (Germany); and with duties in connection with the formulation, supervision, and execution of personnel policies, and other G-1 functions.

8. CHIEF ADMINISTRATIVE OFFICER AND EXECUTIVE OFFICER.

a. The Chief Administrative Officer is charged with responsibility for all administrative matters as shown in Inclosure 4.

b. The executive is charged with responsibility under the assistant Deputy, for all matters pertaining to policies, plans and operations. (See Inclosure 4).

## SECTION III

## HEADQUARTERS COMMAND

9. ORGANIZATION

A Headquarters Command comprising an integral service organization will be assigned to the Headquarters, US Group Control Council (Germany). It will consist of a Headquarters Commandant, personal staff, and special staff of functional sections, the nomenclature of which are self-explanatory. See Inclosure 5. Service troops and Table of Organization (T/O) military units will be attached.

10. MISSION

The mission of the Headquarters Command is to provide office accommodation, quarters (billets), messes, rations, administration of enlisted personnel, internal security, communications, transportation, supplies, equipment and service of all categories necessary for the maintenance and operation of US Group Control Council (Germany).

a. The Headquarters Commandant will obtain from the appropriate military commander, allotments of accommodations in the form of office buildings, hotels, apartments, flats, houses and residences and other buildings or tentage for the purpose of providing space for offices, quarters (billets), messes, warehouses and shelter of all kinds for the US Group Control Council (Germany). Under the supervision of the C.A.O., he will establish and maintain such accommodations. He will insure that all accommodations are suitable in location, condition, appearance,

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appointment and exposure, and that space is available at all times to meet the needs of the US Group Control Council (Germany) as they occur.

b. The Headquarters Commandant will provide:

(1) Office space for:

(a) Headquarters, US Group CC.

(b) The twelve Divisions of the US Group CC and their Branches.

(c) Meetings of Division Directors or their representatives.

(d) The Public Relations and Information Control Service of the US Group CC.

(e) Distinguished Visitors.

(2) Quarters (billets) for personnel of the following categories. (Categories include civilians according to their assimilated military rank):

(a) General Officers

(b) Distinguished Visitors

(c) Field officers

(d) Company Officers

(e) WAC Officers

(f) Enlisted men

(g) Enlisted women

(3) Warehouses.

(4) Shops.

(5) Recreational facilities for Special Service activities.

c. The Headquarters Commandant of the US Group CC will confer with the Headquarters Commandants of the Berlin District Commander, the British, USSR and French Elements for the purpose of selecting and preparing office accommodations for:

(1) Meetings of the Control Council.

(2) The Allied Secretariat.

(3) Meetings of the Coordinating Committee.

(4) Conduct of important business with the German authorities.

(5) Meetings of Division Heads.

## 12. MESSES

The Headquarters Commandant will establish and operate messes of the following categories. (Categories include civilians according to their assimilated military rank):

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- a. A centrally located Class B Mess for General Officers.
- b. Individual messes in quarters for General Officers where desired.
- c. A centrally located Class B Mess for Field Officers.
- d. A centrally located Class B Mess for Company Officers.
- e. Enlisted messes as may be required.
- f. Officers Clubs.
- g. Snack Bars for Officers.
- h. Canteens for enlisted men and women.
- i. Detached messes in any of the above categories in the event that one or more Divisions are stationed in a locality remote from the Headquarters of the US Group Control Council (Germany).

13. SECURITY

a. Area Security. The Headquarters Commandant will arrange with the appropriate military commander for the external safety and security of the installations and personnel of US Group Control Council (Germany) within areas which it occupies. (See paragraph 15c of Basic Preliminary Plan).

b. Local Security. The Headquarters Commandant will provide local security to include guards and police for all buildings and installations which US Group Control Council (Germany) occupies, including the U.S. share of security personnel for the Allied buildings. (See par 25b of Basic Preliminary Plan).

c. Armed Escorts. The Headquarters Commandant will arrange for armed escorts when necessary for:

- (1) General Officers.
- (2) Personnel of US Group Control Council (Germany) in the performance of their missions.
- (3) Official messengers.
- (4) Distinguished visitors upon arrival and during their stay in the area.

14. TRANSPORTATION

a. The Headquarters Commandant will provide motor transportation for the US Group Control Council (Germany) as follows:

- (1) Sedans will be assigned proportionately to General Officers, Division Directors and certain key personnel.
- (2) Unassigned vehicles will be pooled and operated on a basis of individual dispatch.

b. In addition to organizational vehicles, the Headquarters Commandant will request and obtain from the appropriate military commander, suitable requisitioned vehicles of appropriate appointment and condition to meet the needs of the US Group Control Council (Germany).

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S E C R E T15. OTHER SERVICES

a. In addition to the facilities and services enumerated above, the US Group Control Council (Germany) and its Headquarters Command will require all of the administrative and supply sections and the various T/O organizations which are shown on Inclosure 5. A definite decision has not yet been reached as to which of these services and organizations will become organic parts of the Hq Command and which will be considered an obligation of the appropriate military commander charged with furnishing the administration and supply of the US Group Control Council (Germany).

b. The planning for administration is on the assumption that all of the services shown on Inclosure 5 will be available to the US Group Control Council (Germany) either from within its own organization or from some outside source.

c. This delineation of responsibility is at present under discussion and until it is definitely known just which of these services are to be assumed by the appropriate military commander and which will be organically part of the Hq Command, specific plans cannot be made. When a decision has been reached, an amendment to this paragraph will be published.

16. SUPPLIES

a. Requisitions for supplies (all classes and categories) will be initiated and processed by the Headquarters Commandant to the appropriate Headquarters in the cases below:

- (1) In Berlin, to the Commander of the US Sector.
- (2) In other cases, to the appropriate military commander of the area in which the Division(s) may be located.

17. COMMUNICATIONS

a. The Signal services and Signal personnel to provide telephone, telegraph, TWX, radio and messenger service are based upon the best estimates that can be made at this time.

b. These estimates are constantly under revision. Representatives from the Internal Affairs & Communications Division, US Group CC, are collaborating with the SHAEF Signal Officer in planning and engineering the technical requirements, and earmarking personnel and certain T/O Signal teams which will be assigned to the Hq Command, US Group CC, at the termination of the SHAEF Period.

c. For details, see Appendix A and the four inclosures thereto. The estimates contained in this Appendix are tentative and present thought is that they will require a substantial revision upward.

## 6 Incls

- Incl 1 - Organization Chart Secretariat
- Incl 2 - Organization Chart AG Section
- Incl 3 - Organization Chart Personnel Sec.
- Incl 4 - Organization Chart Hq, USGCC
- Incl 5 - Organization Chart Hq Comd, USGCC
- Incl 6 - Document Flow Chart Hq, USGCC

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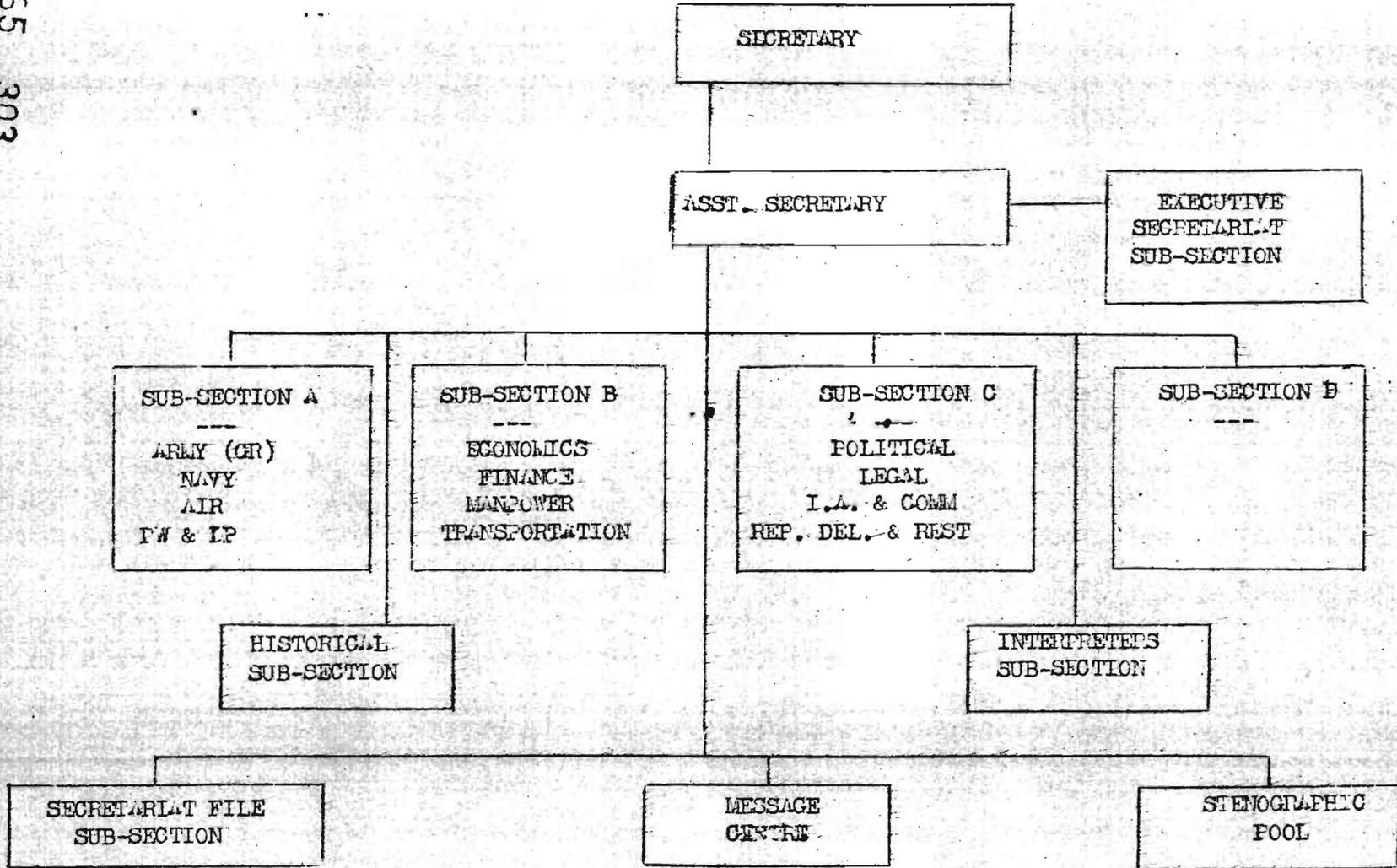
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INCLOSURE 1

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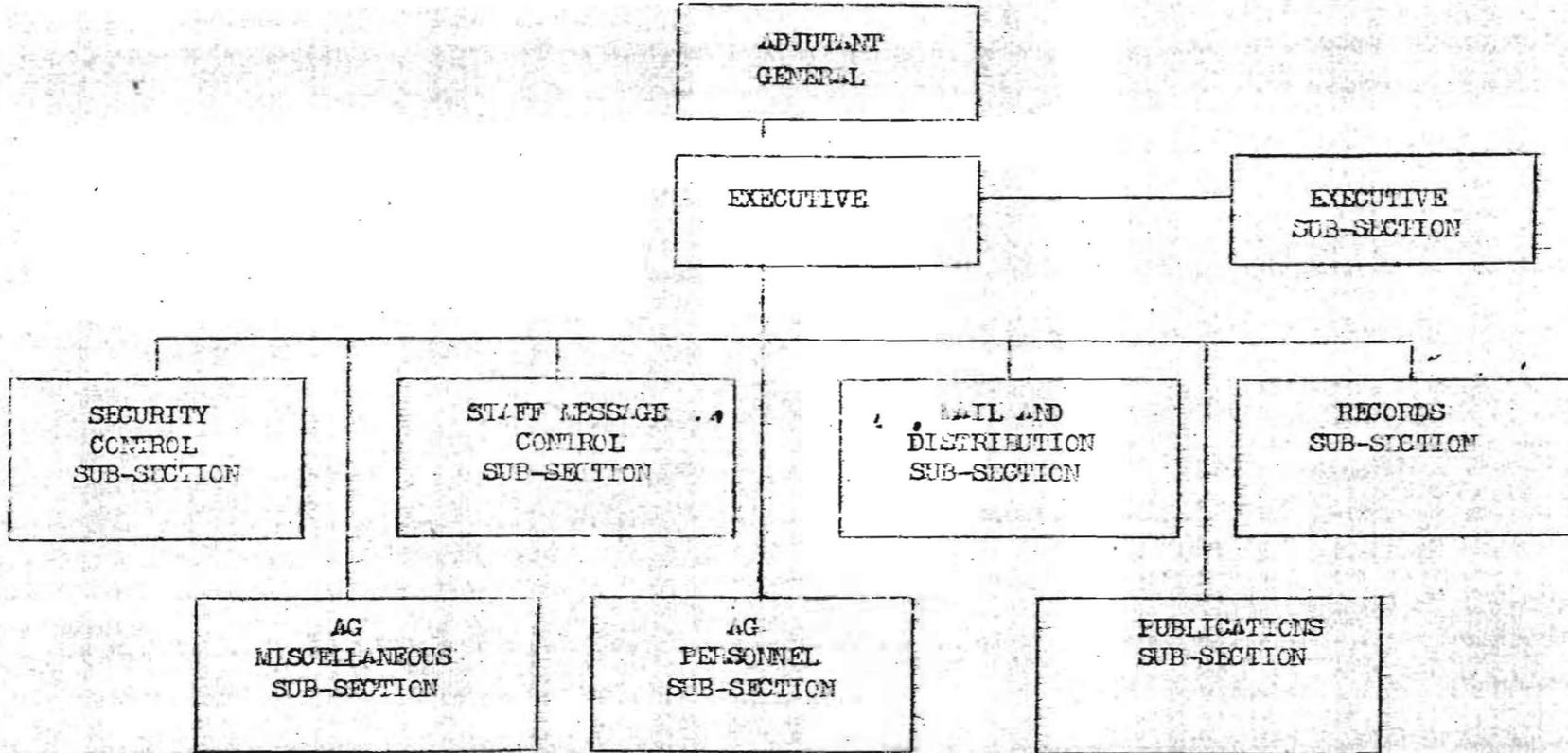
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ADJUTANT GENERALS SECTION



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INCLOSURE 2

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Entry 300 SHAEF

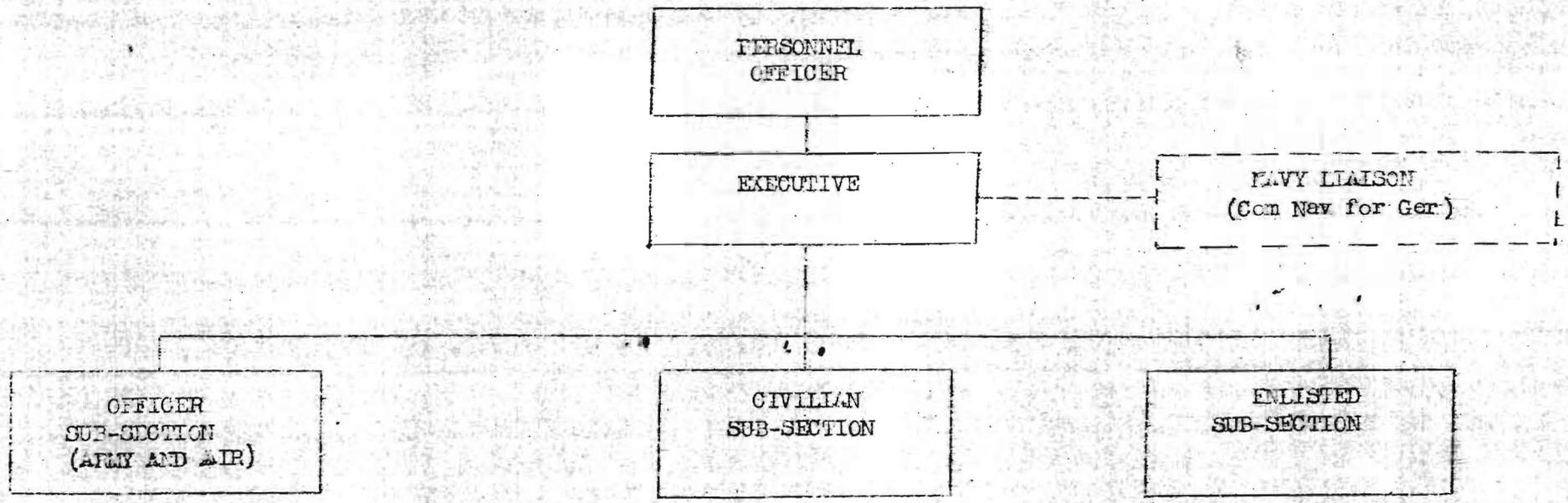
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PERSONNEL SECTION



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INCLOSURE 3

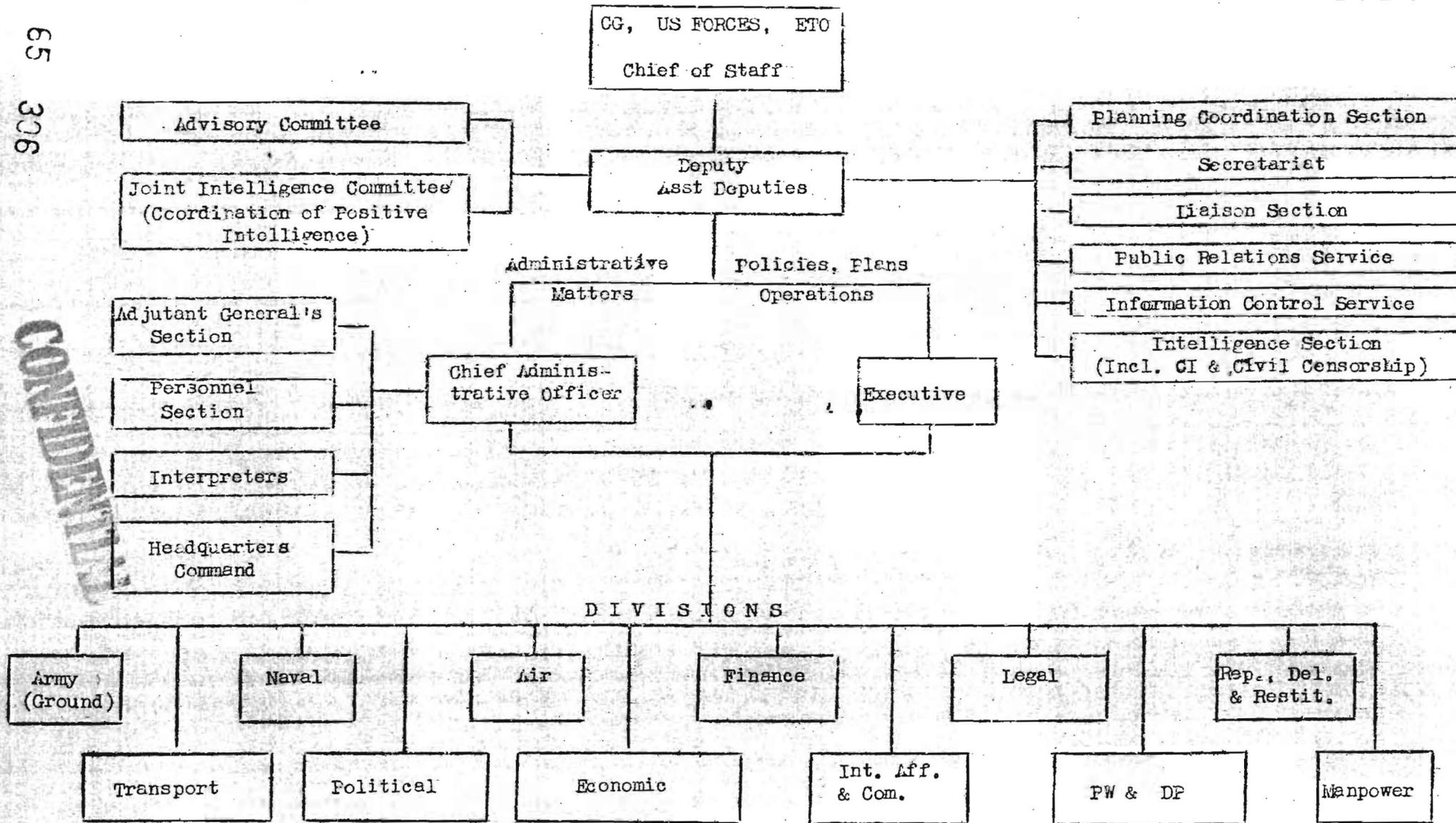
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US GROUP CONTROL COUNCIL (GERMANY)

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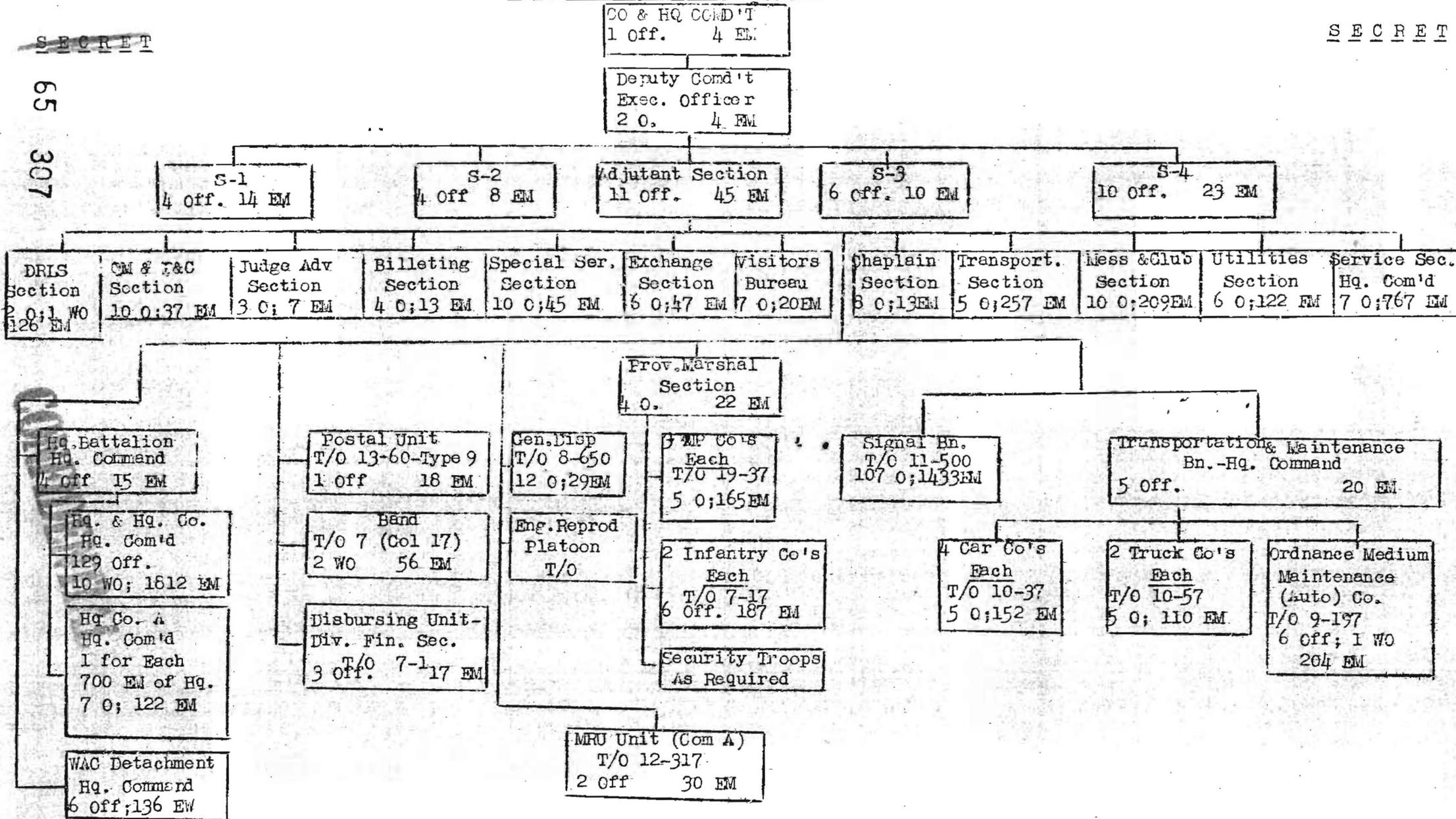
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HQ. COMMAND, US GROUP CC

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DOCUMENT FLOW CHART

AG SECURITY CONTROL

AG MAIL AND R

TOP SECRET MATERIAL --  
FOR PUBLICATION

COMMUNICATIONS, MESSAGES  
IN BULK FROM OTHER

OUTGOING  
TOP SECRET  
DELIVERED BY  
ORIGINATOR

SECURITY  
CONTROL

ALL TOP SECRET MATERIAL,  
OUTGOING MAIL

RECEIVING

TO AG PUBLICATIONS  
SUB-SECTIONS FOR  
PUBLICATION

THROUGH SECRETARIAT OR  
HQ SECTIONS FOR CON-  
CURRENCE

ORDINARY  
MAIL

REGISTRY

ROUTING  
OF  
DISTRIBUTION

FILE  
(EXTRA COPIES  
AND STENCILS)

ROUTING

DELIVERED

OUTGOING  
REGISTRY

INCOMING  
REGISTRY

AG RECORDS  
(FOR FILE NUMBERS  
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AGENCIES

BULK PUBLICATIONS  
FROM AG PUBLICATIONS  
SUB-SECTION

OUTGOING  
MESSAGES

ALL MESSAGES OTHER THAN T/S

STAFF  
MESSAGE CONTROL

REGISTRY

WRITING  
(FOR CRYPTOGRAPHIC  
SECURITY & FORM)

BULK PUBLICATIONS

REPRODUCTION

INFORMATION COPIES

REGISTRY

DISTRIBUTION  
(FOR REGISTRY  
AND ROUTING)

ROUTING CHECKING  
(ACTION AND INFORMATION COPIES) (TO PREVENT DELAYS IN ACTION)

AG RECORDS  
(FOR FILE)

EXTRA COPIES  
AND DISTRIBUTION  
RECORD

AG RECORDS

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AG  
MISCELLANEOUS

DIVISION TO DIVISION  
MAIL, BROUGHT IN BY  
DIVISION  
MESSENGERS

PERSONNEL

ADJUTANT  
GENERAL

SUPPLY AND  
MOVEMENTS

P & C

EXECUTIVE

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HEADQUARTERS  
US GROUP C C  
APO 742

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: AUTH: CG, Hq, US Gr CC :  
: INIT: AK :  
: DATE: 13 March 1945 :

APPENDIX "A"  
(PLAN COMMUNICATIONS)  
TO  
ANNEX XXXI (ADMINISTRATION)  
OF  
BASIC PRELIMINARY PLAN  
ALLIED CONTROL AND OCCUPATION OF GERMANY  
(CONTROL COUNCIL PERIOD)

ADJUTANT GENERAL SECTION  
HQ, US GROUP CC  
13 MARCH 1945

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US GROUP CC  
APO 742

13 March 1945

ANNEX XXXI

ADMINISTRATION

APPENDIX A

PLAN COMMUNICATIONS

1. OBJECT

To estimate the Signal Services and the Signal Personnel that will be required to provide communications for the US Group Control Council (Germany) in Berlin, on the basis of the best information currently available, and subject to increase as additional requirements become known. Estimate of the Signal Equipment necessary to satisfy these requirements should be prepared by Chief Signal Officer (CSO), SHAEF.

2. CONSIDERATIONS

a. Request for the provision of the necessary Signal Services, Signal Equipment and Signal Personnel will be submitted to CSO, SHAEF.

b. Responsibility for the provision of US Signal Communications in Berlin will be placed by CSO, SHAEF.

c. The city of Berlin will be an International Zone and will be occupied by forces of the three powers. For this purpose, it has been divided into three National Sectors.

d. During the early stages of the occupation under SCAEF, it is possible that communications for the British/US sectors will be integrated.

e. Tactical forces in Berlin will have their normal tactical communications.

f. Estimated strength of US Group CC and detachments in Berlin: 1000 Officers and 3000 Enlisted Men.

g. It is probable that a good deal of German equipment will be found in a servicable state. Such equipment should be considered a bonus. Plans should be made to provide all the communications equipment required within Berlin.

3. TELEPHONE AND TELEGRAPH COMMUNICATION

a. The following ultimate switchboard installation is recommended at this time. The engineering of this equipment should be effected at the earliest practicable date. Approximately 25% of this switchboard and station capacity and 100% of the long haul facilities will be required when US Group CC moves in; the remaining 75% of the switchboard and station equip-

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ment should be ready-to-serve thirty days after US Group CC moves in.

Main Board - Local	750 - 1250 extensions	40 positions
Main Board - Trunk	200 lines	10 positions

b. There is a requirement for a switchboard similar to the Supreme Headquarters, AEF REDLINE board with a capacity of approximately 50 lines. This board will be used for relatively secure lines and will also provide expeditious service to executive members of the staff.

c. Inasmuch as the installation of scramblers will give a false sense of security, no provision should be made for their use during the early stages of the occupation.

d. Telephone and telegraph circuits for the United States Sector Berlin are shown in Inclosure 1.

e. It may be assumed that approximately 85% of the trunk lines will be rehabilitated German system.

f. It is recommended that US telegraph terminal equipment be provided for all US installations, Berlin.

g. It is unlikely that German Submarine cable services will be restored during the first six months of the occupation.

4. RADIO COMMUNICATION

a. Radio circuits are shown in Inclosure 2.

b. The radio circuits shown between Signal Center, Berlin, and Allied Headquarters, and British, USSR, and French Sectors in Berlin are to provide emergency radio communications in the event of wire line failure. It is possible that the Headquarters of the respective nationalities within Berlin may be separated by as much as 30 miles.

c. The radio teletype circuit between Berlin and Paris (Com Z) will provide communication to Com Z Paris and can be used as an alternate circuit for tape relay to WAR in the event of failure of the BERLIN WAR circuit.

d. Provision should be made for the installation of SIGSALLY.

e. Radio requirements for FWD BERLIN consist of:

(1) Long wave broadcasting station - Berlin (Deutschlandsender) - Allied operation.

(2) If this station should be destroyed, an attempt will be made to secure coverage from another captured enemy broadcast station found in workable condition.

5. MESSENGER SERVICE

a. Provision should be made for the operation of the Dispatch Rider Letter Service within the Berlin area. It is anticipated that this service should call at the Allied Headquarters, British Headquarters, USSR Headquarters, French Headquarters, and approximately 10 US Headquarters which will be located in the US Sector.

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b. An Air Dispatch Letter Service should be provided twice daily to the Headquarters located outside of Berlin which are indicated in Inclosure 2.

6. PERSONNEL REQUIREMENTS

See Inclosure 3.

7. SIGNAL SERVICE ORGANIZATION

See Inclosure 4.

4 Incls:

- Incl 1 - Proposed Telephone & Telegraph Circuits
- Incl 2 - Proposed Radio Circuits
- Incl 3 - Personnel Requirements
- Incl 4 - Details of Signal Service Organization

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PROPOSED TELEPHONE AND TELEGRAPH CIRCUITS  
UNITED STATES SECTOR - BERLIN.

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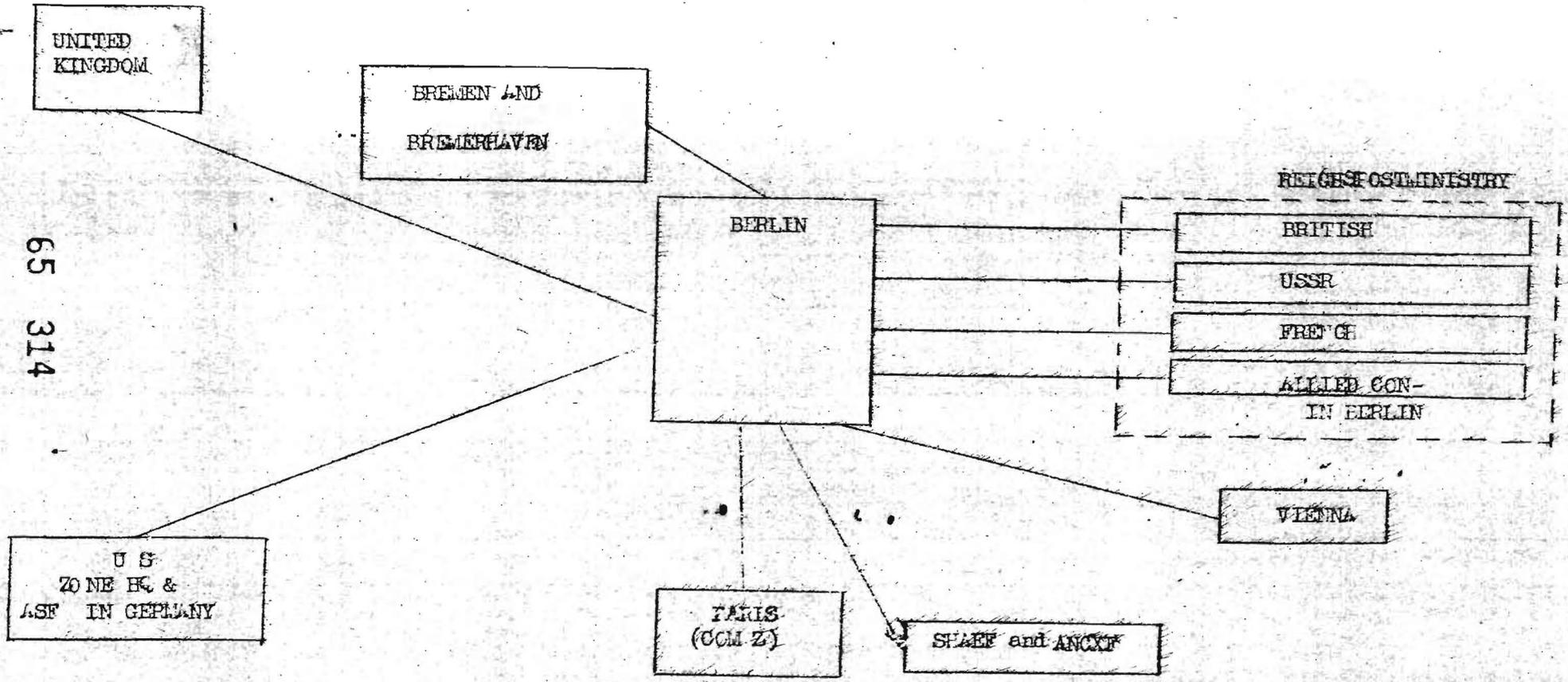
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NOTE:  
4 + 2 - 4 Telephone and 2 Telegraph

Incl 1

PROPOSED RADIO CIRCUITS  
UNITED STATES SECTOR - BERLIN

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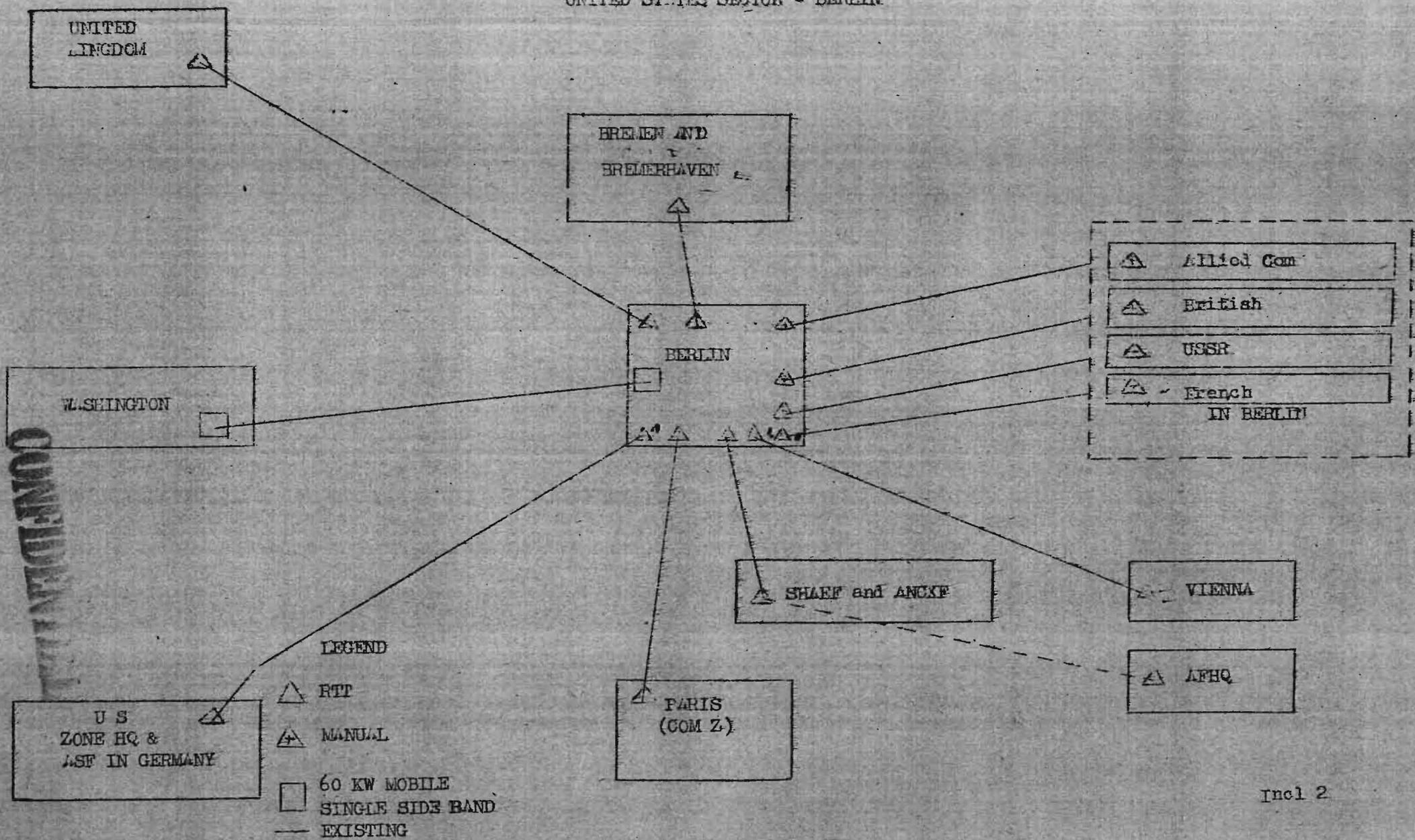
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SECRETPERSONNEL REQUIREMENTSLIST OF TEAMS

<u>Description of Team</u>	<u>Type</u>	<u>No. of Teams</u>
Battalion Headquarters	AC	1
Company Headquarters	AB	5
Platoon Headquarters	AA	6
less Team Type No. 5	AI	4
Message Centre (less Crypto Personnel)	DE	3
Messenger Team Type 2	DH	2
Motor Maintenance Type 2	BB	3
Depot Section (Small)	CA	1
Mobile Radio Team	EB	4
Multi-Channel Radio Station	EL	1
Single Channel Radio Teletype	EP	14
Three Position Switchboard	GD	5
Large Operating Team	GH	15
Large Teletype Team	GK	5
Switchboard Installation Section	GF	4
Cable Repair Section	GL	2
Open Wire Repair Section	GI	4
Telephone Carrier & Repeater Section	GN	2
Telephone & Telegraph Installation Section	GO	1
Message Centre (Crypto Personnel only)	DE	2
Editing Section	??	1

NOTE: No construction personnel are included as it is assumed that existing construction personnel in the theatre will be available for pole line construction.

Inclosure 3

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# ORGANIZATION CHART OPERATIONAL

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Intelligence (J.I.C.)  
 Censorship  
 Counter-Intelligence  
 Planning Coordination  
 Liaison  
 Administration  
 Personnel  
 Secretariat  
 Historian

AC

**ARMY (GROUND) DIVISION**

Director and Deputy  
 Exec., Coord. & Adm. Sec.  
 Disarmament Branch  
 Demobilization Branch  
 Intelligence Branch

**NAVAL DIVISION**

Director and Deputy  
 Exec., Coord. & Adm. Sec.  
 Disarmament Branch  
 Demobilization Branch  
 Ocean Shipping Branch\*  
 Intelligence Branch

\* In coordination with  
 Transport Division

**AIR DIVISION**

Director and Deputy  
 Exec., Coord. & Adm. Sec.  
 Disarmament Branch\*  
 Demobilization Branch  
 Intelligence Branch

\* Including German  
 Civil Aviation

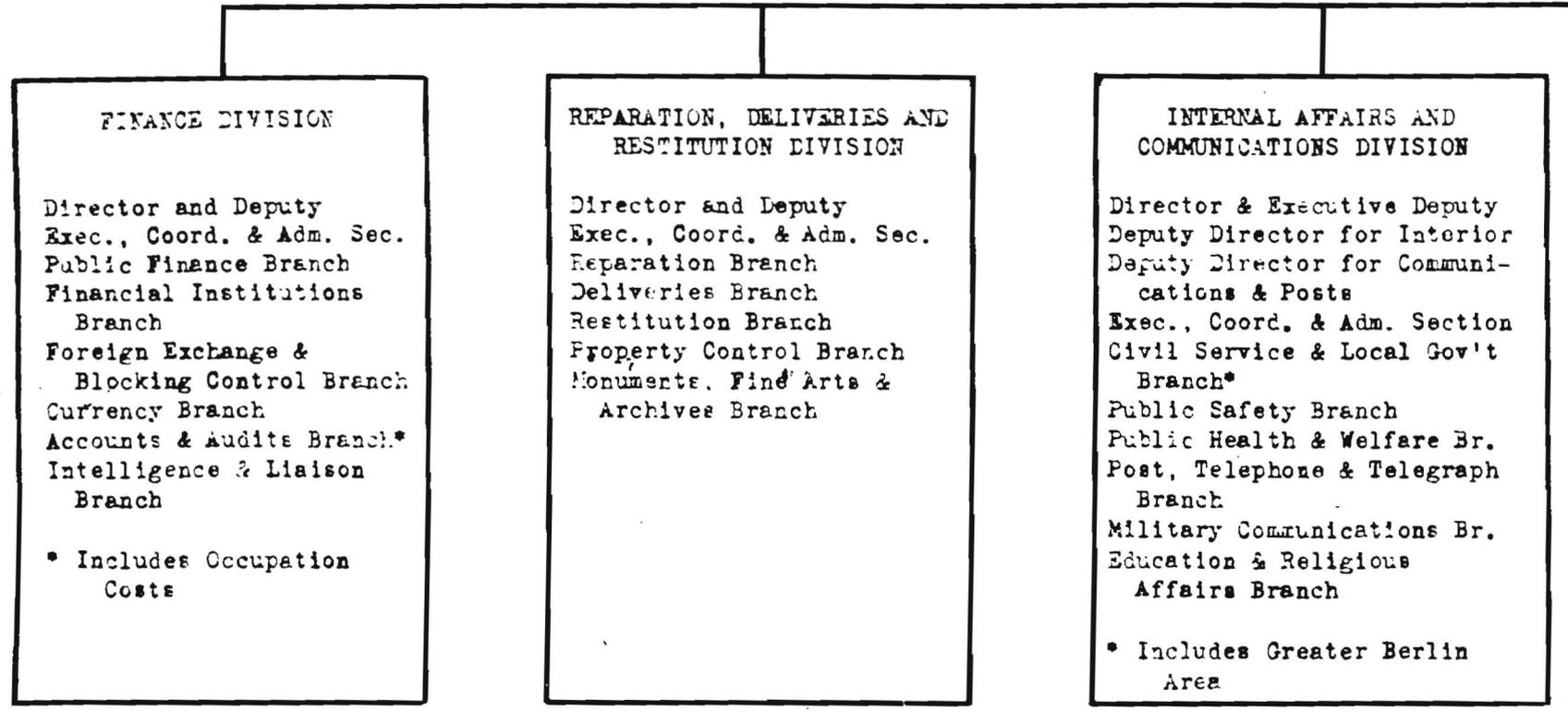
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**FINANCE DIVISION**  
 Director and Deputy  
 Exec., Coord. & Adm. Sec.  
 Public Finance Branch  
 Financial Institutions  
 Branch  
 Foreign Exchange &  
 Blocking Control Branch  
 Currency Branch  
 Accounts & Audits Branch\*  
 Intelligence & Liaison  
 Branch  
 \* Includes Occupation  
 Costs

**REPARATION, DELIVERIES AND  
 RESTITUTION DIVISION**  
 Director and Deputy  
 Exec., Coord. & Adm. Sec.  
 Reparation Branch  
 Deliveries Branch  
 Restitution Branch  
 Property Control Branch  
 Monuments, Fine Arts &  
 Archives Branch

**INTERNAL AFFAIRS AND  
 COMMUNICATIONS DIVISION**  
 Director & Executive Deputy  
 Deputy Director for Interior  
 Deputy Director for Communi-  
 cations & Posts  
 Exec., Coord. & Adm. Section  
 Civil Service & Local Gov't  
 Branch\*  
 Public Safety Branch  
 Public Health & Welfare Br.  
 Post, Telephone & Telegraph  
 Branch  
 Military Communications Br.  
 Education & Religious  
 Affairs Branch  
 \* Includes Greater Berlin  
 Area

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Operations Branch  
\* In coordination with  
Naval Division

Public Relations Branch\*  
Citizenship Section  
\* Subject to decision as  
to placing on Coord-  
inating Committee  
level

Forestry Branch  
Fuel & Mining Branch  
Industry Branch  
Public Works & Utilities  
Branch  
Internal Trade Branch  
Foreign Trade Branch

LEGAL DIVISION  
Director and Deputy  
Exec., Coord. & Adm. Sec.  
Legal Advice Branch\*  
Judicial Branch\*\*  
Justice Ministry Branch  
Prisons Branch  
\* Incl. War Crimes  
\*\* Incl. MG Courts &  
German Ordinary  
& Military Courts

PRISONERS OF WAR AND DIS-  
PLACED PERSONS DIVISION  
Director and Deputy  
Exec., Coord. & Adm. Sec.  
Prisoners of War Branch  
Army (Ground) Section  
Naval Section  
Air Section  
Displaced Persons Branch

MANPOWER DIVISION  
Director and Deputy  
Exec., Coord. & Adm. Sec.  
Labor Ministry Section  
Nazi Labor Institutions Sec.  
Labor Allocation Branch  
Labor Relations Branch  
Wage & Labor Policy Branch  
Housing Branch  
Labor Information Section

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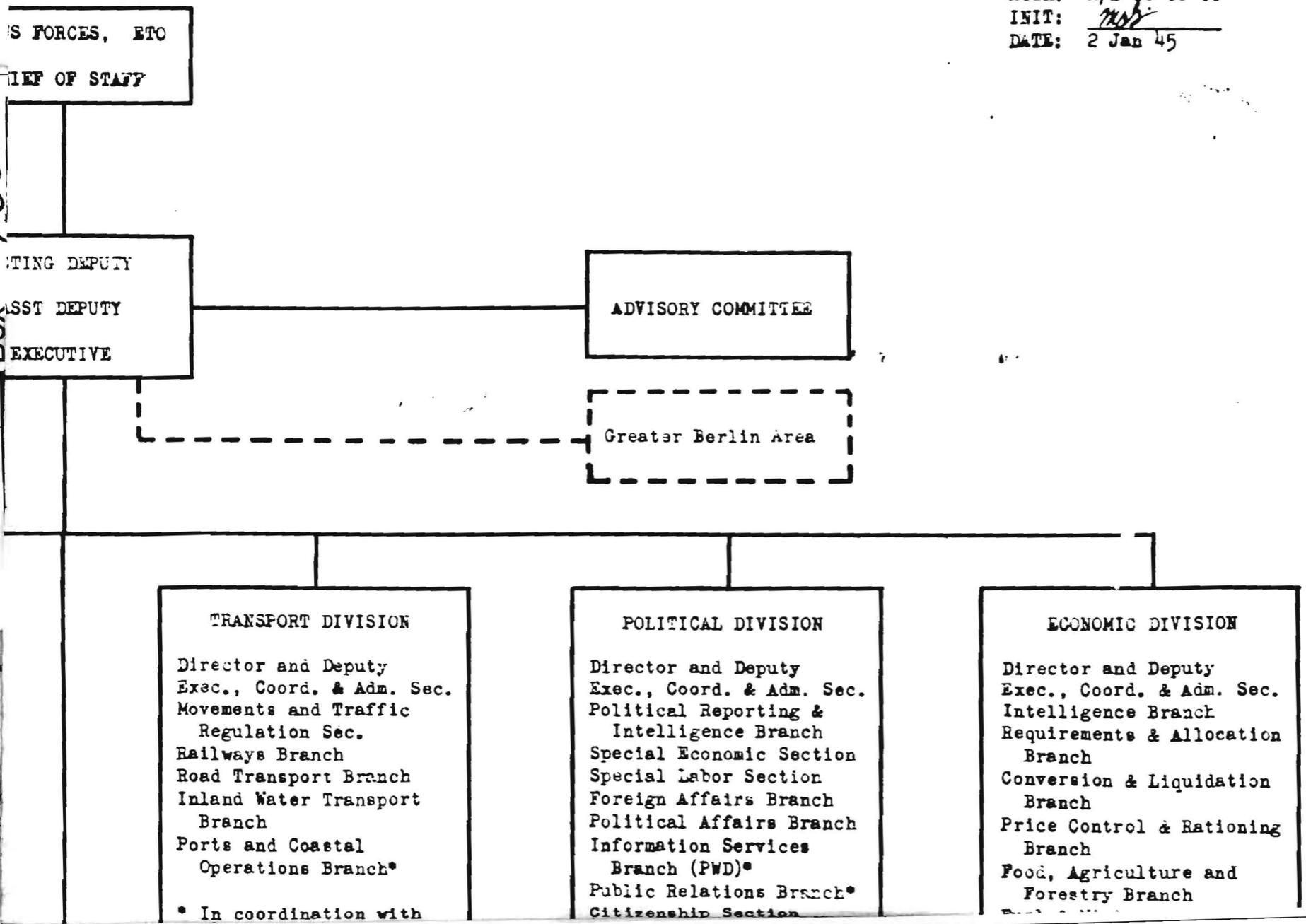
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## ANAL PHASE

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ARTICLE III

Responsibilities for Property

4. All custodians, curators, officials or other persons having possession, custody or control of property enumerated in Articles I or II hereof are required:

- a. (1) To hold the same, subject to the directions of the Military Government and, pending such direction, not to transfer, deliver or otherwise dispose of the same;
- (2) To preserve, maintain and safeguard, and not to cause or permit any action which will impair the value or utility of such property;
- (3) To maintain accurate records and accounts with respect thereto and the income thereof.
- b. When and as directed by Military Government:
  - (1) To file reports furnishing such data as may be required with respect to such property and all receipts and expenditures in connection therewith;
  - (2) To transfer and deliver custody, possession or control of such property and all books, records and accounts relating thereto; and
  - (3) To account for the property and all income and products thereof.

5. No person shall do, cause or permit to be done any act of commission or omission which results in damage to or concealment of any of the properties covered by this decree.

ARTICLE IV

Operation of Business Enterprises and Government Property

6. Unless otherwise directed and subject to such further limitation as may be imposed by Military Government:

- a. Any business enterprise subject to control under this decree may engage in all transactions ordinarily incidental to the normal conduct of its business activities within the occupied area provided that such business enterprise shall not engage in any transaction which, directly or indirectly, substantially diminishes or imperils the assets of such enterprise or otherwise prejudicially affects its financial position and provided further that this does not authorize any transaction which is prohibited for any reason other than the issuance of this decree;
- b. Property described in Article I, 1 a shall be used for its normal purposes within occupied Austria except as otherwise prohibited by Military Government.

ARTICLE V

Void Transactions

7. Any prohibited transaction effected without a duly issued license or authorization from Military Government and any transfer, contract or other arrangement made, whether before or after the effective date of this decree, with intent to defeat or evade this decree or the powers or objects of Military Government or the restitution of any property to its rightful owner, is null and void.

ARTICLE VI

Conflicting Laws

8. In case of any inconsistency between this decree or any order made under it and any other law, the former prevail. All other laws, decrees and regulations providing for the seizure, confiscation or forced purchase of property enumerated in Articles I or II hereof, are hereby suspended.

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MILITARY GOVERNMENT - AUSTRIA

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AREA OF CONTROL, SUPREME COMMANDER, AEF

DECREE NO. 3

BLOCKING AND CONTROL OF PROPERTY

ARTICLE I

Categories of Property

1. All property within the occupied territory of Austria owned or controlled, directly or indirectly, in whole or in part, by any of the following is hereby declared subject to seizure of possession or title, direction, management, supervision or otherwise being taken into control by Military Government:

a. Austria, the German Reich, or any of the Länder, Gaue, or Provinces, or other similar political sub-divisions or any agency or instrumentality thereof, including all utilities, undertakings, public corporations or monopolies under the control of any of the above;

b. Governments, nationals or residents of countries other than Austria, which have been at war with any of the United Nations at any time since September 1, 1939, and governments, nationals or residents of territories which have been occupied since that date by such countries;

c. The NSDAP, all offices, departments, agencies and organizations forming part of, attached to, or controlled by it; their officials and such of their leading members or supporters as may be specified by Military Government;

d. All persons while held under detention or any other type of custody by Military Government or the Allied Military Forces or by their order;

e. All organizations, clubs or other associations prohibited or dissolved by Military Government;

f. Owners absent from the Supreme Commander's area of Control and Nationals and Governments of United Nations and Neutral Nations;

g. All other persons specified by Military Government by inclusion in lists or otherwise.

2. Property which has been the subject of duress, wrongful acts of confiscation, dispossession or spoliation from territories outside Austria, whether pursuant to legislation or by procedures purporting to follow forms of law or otherwise, is hereby declared to be equally subject to seizure of possession or title, direction, management, supervision or otherwise being taken into control by Military Government.

ARTICLE II

Prohibited Transactions

3. Except as hereinafter provided, or when licenced or otherwise authorized or directed by Military Government, no person shall import, acquire or receive, deal in, sell, lease, transfer, export, hypothecate or otherwise dispose of, destroy or surrender possession, custody or control of any property:

a. Enumerated in Article I hereof;

b. Owned or controlled by any Kreis, municipality or other similar political sub-division;

c. Owned or controlled by any institution dedicated to charity, education, the arts and sciences;

d. Which is a work of art or cultural material of value or importance, regardless of the ownership or control thereof.

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Initials: [Signature]  
23 April 1945

SUPREME HEADQUARTERS  
ALLIED EXPEDITIONARY FORCE

AGO 757 (Forward)  
23 April 1945

AG OLA.1-1 (Austria) GE-AGM

SUBJECT: Provisional Directive for Military Government in Austria -  
Period and Area of Responsibility of Supreme Commander, AEF

TO : Commanding General, 6th Army Group, APO 23  
Commanding General, 12th Army Group, APO 655

1. Assumptions. Pending decision by the Combined Chiefs of Staff on the responsibilities for Austria of the Supreme Commander, AEF, and the Supreme Commander, Mediterranean Theater of Operations, this Provisional Directive is based on the assumptions stated in paragraphs 2, 3 and 4 below. If other responsibilities are agreed upon, this Directive will be amended accordingly.

2. Mission. The Supreme Commander, AEF, is responsible for establishment and conduct of Military Government in areas of Austria occupied by Forces under his Command.

3. The Supreme Allied Commander, Mediterranean Theater of Operations will retain responsibility for occupation and Military Government of his sectors of Vienna, and for negotiation with the USSR authorities of overall Military Government policies for Austria as a whole. He will also be responsible for long-term Military Government policies for Austria and will be responsible for introducing elements of the U.S. Group Control Council (Austria) and Allied Commission, Austria (British Element) into Vienna.

4. As soon as operational conditions permit, the Supreme Commander, AEF, will turn over command of his forces in Austria and with them his responsibility for military government in areas of Austria then occupied by his forces to the Supreme Allied Commander, Mediterranean Theater of Operations. The responsibility for occupation and Military Government of Austria of the Supreme Commander AEF, is, therefore, only temporary. His Military Government policies and operations will be such as can be achieved in this short-term, interim period, and will not prejudice long-term or overall policies to be introduced in the subsequent period.

5. You are responsible for the execution of Supreme Commander, AEF policy in the establishment and operation of Military Government in any areas of Austria occupied by your Group of Armies, during the period of control of the Supreme Commander, AEF. Military Government will be established by you immediately on the occupation by your Forces of any part of Austrian territory. Conduct of Military Government operations is a command responsibility.

6. Your Military Government operations in Austria will be carried out in conformity with this Directive and Annexures hereto. This Directive will be amended as necessary, to conform with overall policies agreed by the Supreme Allied Commander, Mediterranean Theater of Operations and the Russian Commander, for application to Austria as a whole. A Provisional Handbook for Military Government in Austria for the interim period of Supreme Headquarters, AEF, responsibility will also be issued, as a guide to Military Government personnel.

7. This Directive, though designed for the period prior to the defeat or surrender of the armed forces under German control operating in Austria, will also apply to the post-defeat or post-surrender period until a further directive is issued or this one is amended.

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SUPREME HEADQUARTERS  
 ALLIED EXPEDITIONARY FORCE

April 1945

**SUBJECT:** Directive for Military Government in Austria - Period and Area of Responsibility of Supreme Commander, AEF

**TO :** Commanding General, 6 Army Group  
 Commanding General, 12 Army Group

MISSION

1. The Supreme Commander, AEF, is responsible for establishment and conduct of Military Government in areas of Austria occupied by Forces under his Command.
2. The Supreme Allied Commander, Mediterranean Theater of Operations will retain responsibility for occupation and Military Government of his sectors of the Gau of Vienna, and for negotiation with the USSR authorities of overall Military Government policies for Austria as a whole. He will also be responsible for long-term Military Government policies for Austria and will be responsible for introducing elements of the US Group CC (Austria) and Allied Commission, Austria (British Element) into Vienna.
3. As soon as operational conditions permit, the Supreme Commander, AEF, will turn over command of his forces in Austria and with them his responsibility for military government in areas of Austria then occupied by his forces to the Supreme Allied Commander, Mediterranean Theater of Operations. The responsibility for occupation and Military Government of Austria of the Supreme Commander AEF, is, therefore, only temporary. His Military Government policies and operations will be such as can be achieved in this short-term, interim period, and will not prejudice long-term or overall policies to be introduced in the subsequent period.
4. You are responsible for the execution of Supreme Commander, AEF, policy in the establishment and operation of Military Government in any areas of Austria occupied by your Group of Armies, during the period of control of the Supreme Commander, AEF. Military Government will be established by you immediately on the occupation by your Forces of any part of Austrian territory. Conduct of Military Government operations is a command responsibility.
5. Your Military Government operations in Austria will be carried out in conformity with this Directive and Annexes hereto. This Directive will be amended as necessary, to conform with overall policies agreed by the Supreme Allied Commander, Mediterranean Theater of Operations and the Russian Commander, for application to Austria as a whole. A Handbook for Military Government in Austria for the interim period of SHAEF responsibility will also be issued, as a guide to Military Government personnel.
6. This Directive, though designed for the period prior to the defeat or surrender of the armed forces under German control operating in Austria, will also apply to the post-defeat or post-surrender period until a further directive is issued or this one amended.

POWERS

7. In the period during, and immediately following the occupation, the Supreme Commander, AEF, will have supreme authority in those parts of Austria occupied by the Forces under his command. He will possess full legislative, executive and judicial rights as a representative of an occupying power in accordance with rules of international law. The power and authority to be exercised by the Supreme Commander, AEF, in his area of responsibility will be subject to the powers and authority exercised by the Allied Governments through the Allied Commission, Austria.
8. Supreme Commander, AEF, authority and power is hereby delegated to you and may be exercised through your subordinate commanders at your direction.

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Your authority and power in matters of Military Government will be exercised by you upon your own responsibility, except where the Supreme Commander, AEF, directs specific action, or where Military Government Policy Directives issued by him specify otherwise.

9. The Military Government will be a military administration, which will show every characteristic of an Allied undertaking, acting in the interests of the United Nations.

#### OBJECTIVES

10. The objectives of Supreme Commander, AEF, Military Government in Austria are short-term and military in nature, and are governed by military necessity and practicability.

11. The Moscow Declaration states that Austria shall be liberated from German domination, and that it is the desire of the Allies to see a free and independent Austria re-established. As a general objective, it is, therefore, desirable that measures taken for the occupation and control of Austria should show a clear distinction from those employed in Germany.

12. You will be responsible for the attainment of the following objectives:

- a. To execute Military Government in accordance with the policy of the Supreme Commander, AEF, in such parts of Austria as are occupied by forces under your command.
- b. To maintain law and order. In doing so, you will ensure that the administration is firm, and at the same time just and humane with respect to the civilian population, so far as is consistent with strict military requirements.
- c. To eliminate all National Socialist Party organizations in Austria, and to abolish all racial discrimination. It should be made clear to the Austrian population that military occupation is intended to destroy Naziism, fascism, German militarism and the Nazi Hierarchy, to liberate Austria from German domination, and to pave the way for a free and independent Austria.
- d. To create conditions favorable to the establishment of a free and independent Austria, based on the rule of law, ready and able to cooperate in international life. It will be possible to give more latitude to political activity in Austria than in Germany, but until otherwise instructed by this Headquarters, you will be careful not to lend your support or authority to any political party or policy in Austria.
- e. To care for, control, and where possible, arrange for the repatriation of displaced nationals of the United Nations, and to control enemy refugees and displaced persons.
- f. To apprehend war criminals.
- g. To protect United Nations properties, to control certain other properties as required, and to conserve Austrian foreign exchange assets.
- h. To remove from all posts of authority and important governmental and civil positions any Nazi or any other undesirable elements, whether German or Austrian, and to establish local administrative bodies composed of reliable Austrians.
- i. To facilitate the transfer of the control of Military Government to the Supreme Allied Commander, Mediterranean Theater of Operations, and subsequently to the multipartite Allied Commission, Austria.
- j. To establish freedom of religion and worship in Austria. You will, however, take steps to ensure that religious activities are not used as a cloak for the spreading of undesirable political ideas, or of propaganda directed against any of the United Nations.

13. Fraternization will not be permitted with any Nazi or Reich German elements or Austrian military personnel remaining in Austria. Fraternization

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will not be permitted with the civilian population, until you are otherwise instructed.

ANNEXES

14. The following Annexes, which will govern your execution of this Directive, are attached hereto.

- I - Plan for Operation and Organization of Military Government.
  - II - Political and General.
  - III - Severance of Austria from Germany.
  - IV - De-Nazification.
  - V - Legal.
  - VI - Public Safety.
  - VII - Displaced Persons and Refugees.
  - VIII - Finance and Property Control.
  - IX - Supply.
  - X - Economics.
  - XI - Public Health.
  - XII - Public Welfare.
  - XIII - Education and Religion.
  - XIV - Posts, Telephones, Telegraph and Radio.
  - XV - Monuments, Fine Arts, and Archives.
- Appendix A - Proclamations, Decrees, Ordinances, and Notices.

By command of General EISENHOWER:

W.B. SMITH  
 Lieutenant General, U.S. Army  
 Chief of Staff

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## ANNEX I

PLAN FOR OPERATION AND ORGANISATION  
OF MILITARY GOVERNMENT

I. INTRODUCTION

1. This directive is designed to apply to all Military Government operations conducted in Austria by forces under the command of the Supreme Commander, AEF. The plan is based on relevant directives of the Combined Chiefs of Staff and although confined to the temporary period of Supreme Commander, AEF, responsibility it is designed to conform with the overall policies of the Supreme Allied Commander, Mediterranean Theater of Operations for application to Austria and to agreements reached by the Allied Governments in Austria.

2. In case of conflict with the Field Manual, 27-5, issued by the United States War Department, the provisions herein set forth and those contained in any related directives will apply.

II. OPERATION OF MILITARY GOVERNMENTArea of Responsibility

3. The Supreme Commander, AEF, will be responsible for Military Government of areas of Austria (International boundaries of 31 December 1937) occupied by forces under his command and responsibility is delegated to Army Group Commanders for those areas occupied by their respective forces.

4. It is anticipated that as soon as is practicable after the whole of Austria has been occupied by Allied forces it will be divided into Zones of Occupation on the following basis:

- |   |              |
|---|--------------|
| a. KARTEN and STEIERMARK  | British Zone |
| b. SALZBURG and OBERDONAU   | U.S. Zone    |
| c. NIEDERDONAU  | Russian Zone |
| d. TIROL - VORARLBERG   | French Zone  |
| e. Gau Vienna divided into British, American, French and Russian sectors. |              |

5. It is anticipated, however, that the division into national zones will take place subsequent to the period in which the Supreme Commander, AEF exercises any responsibility in Austria. National sectors in Vienna may well be established before the Supreme Commander, AEF, relinquishes his Austrian commitments, but he will have no responsibility for Vienna on the present Gau territorial system, such military boundaries as Army Group Commanders may lay down should as far as possible coincide with the civil administrative boundaries.

Form of Responsibility

6. a. The Supreme Commander, AEF, will be Military Governor of those areas of Austria occupied by troops under his command. All proclamations, laws and ordinances will be stated as being issued by order of Military Government.

b. Actions taken by Army Group or subordinate commanders in many fields, such as censorship, travel control and the requisition and procurement of labor and other resources, will rely on the authority of the Supreme Commander, AEF, as Military Governor. Such actions must necessarily conform to the general policies regulating the conduct of Military Government as laid down by the Supreme Commander, AEF.

c. Initial contacts with the Austrian civilians and Austrian civil administrative authorities by agencies and forces of Army Groups or subordinate commanders involving matters in which the commanders' powers under Military Government may be employed, should be made where possible through Military Government Detachments to the appropriate level of government.

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### Command Responsibility

X 7. Since Military Government is a command responsibility, its exercise within the general policies, directives and instructions laid down by the Supreme Commander, AEF will be a matter of the Army Group Commanders' discretion. Army Group Commanders will cause Military Government Detachments operating in the area occupied by their Groups of Armies to follow technical instructions issued through Military Government/G-5 channels. Your subordinate military commanders to whom you delegate Military Government responsibility will suspend the effect of such instructions only when in their judgment such suspension is required by local conditions. In the event such action is taken, it will be reported to higher authority.

8. a. Since Military Government will ultimately be based on the Austrian Gau territorial system, recognition will be given as rapidly as practicable during the course of the occupation to this ultimate organizational scheme by conforming tactical boundaries with administrative boundaries and fixing Military Government responsibility accordingly.

b. Until it is possible to establish such Gau system, Military Government will be carried out on ad hoc basis in accordance with the tactical areas of command and Military Government operations will be the responsibility of each Army Group Commander in the areas occupied by his forces.

c. Army Group Commanders are responsible for providing lateral liaison between the areas occupied by their Groups of Armies and between all subordinate echelons as required to maintain consistency of policy in local regulations and facilitate administration. This will be provided in addition to the general coordination exercised by the Supreme Commander, AEF.

### Channels of Communication

9. a. A Military Government/G-5 technical channel of communications will operate between Supreme Headquarters, AEF and the Military Government Staffs and Gau Detachments. From the outset such functions as Finance, Legal and Public Health will utilize this channel freely for technical guidance, etc. However, command channels will be employed on all matters which affect tactical operations or concern security of Allied troops.

b. Any decisions reached by the Allied Commission or other Allied authority in Vienna or elsewhere will until otherwise ordered be conveyed to you via this Headquarters for the time being at least there will be no direct communication on Military Government matters between the Allied Commission or other Allied authority in Vienna and your Headquarters.

c. Austrian administrative channels as authorized for civil administration by civil administrative agencies. Subordinate civil administrative agencies receiving instructions of concern to Military Government from the next higher level of civil administration (including any instructions received from agencies of the central government) must clear such instructions with Military Government at their own level. Action on such matters will be taken by the subordinate civil agencies only on orders from Military Government at their level.

### III. THE MILITARY GOVERNMENT ORGANIZATION

10. The discharge of the responsibility for Military Government by Army Group Commanders may require the employment of all resources at their disposal.

11. a. Personnel for Military Government will consist of:

- (1) Appropriate Military Government/G-5 Staffs at Formation Headquarters.
- (2) Military Government Detachments at Gau and subordinate centers of civil administration.
- (3) Other elements of your command who may be required for attainment of Military Government objectives.

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 AUTHORITY: NND 760219  
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RG 331  
 Entry (40) SHAEF  
 File Mil Govt Austria  
 Box 271

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b. It is contemplated that Military Government Staffs will be largely concerned with liaison duties and normal staff work incident to the chain of command and that Military Government Detachments will be the Military Government Commanders' executive on all matters concerning Military Government.

12. a. It is anticipated that Army Group Commanders will have made available to them a number of officers from the Mediterranean Theater of Operations. These Officers will, during their training, have studied the particular problems of Austria and will be available for employment in Military Government Detachments in Austria.

b. Furthermore, it is possible that a very limited number of Officers who have studied the Austrian problem may be available from the Mediterranean Theater of Operations for employment with the G-5 Staffs of Formations.

13. a. In addition to those officers indicated in Para 11a. above, Army Group Commanders will make use of such other Military Government officers for their detachments as they may have available or as are provided by Supreme Headquarters, AEF.

b. Military Government Detachments should be further augmented by personnel withdrawn from the combat forces if this appears desirable.

14. Military Government personnel, when deployed, will be administered by the nearest tactical unit. Personnel for local administration of US Military Government Detachments will be provided through the European Civil Affairs Division.

#### Use of French Military Government Personnel

15. In areas of Austria occupied by French forces French Military Government Detachments will be used in accordance with the directives and policies issued by the Supreme Commander, AEF and by the appropriate Army Group. Such French Military Government Detachments will conform in all respects to instructions issued by the Supreme Commander, AEF and lower echelons of the AEF Command.

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RG 331  
 Entry (40) SHAEF  
 File Mil Govt Austria  
 Box 271

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ANNEX IIPOLITICAL AND GENERALGeneral Political Objectives.

1. The political objectives arrived at in the occupation of Austria will differ fundamentally from those arrived at in the case of Germany in that the Allies envisage the creation in due course of a free and independent Austria. The Moscow Declaration of 1 November 1943 provides as follows:

"The governments of the United Kingdom, the Soviet Union and the United States of America are agreed that Austria, the first free country to fall a victim to Hitlerite aggression, shall be liberated from German domination.

"They regard the annexation imposed on Austria by Germany on 13 March 1938 as null and void. They consider themselves as in no way bound by any changes effected in Austria since that date. They declare that they wish to see reestablished a free and independent Austria and thereby to open the way for the Austrian people themselves, as well as those neighboring States which will be faced with similar problems, to find that political and economic security which is the only basis for lasting peace.

"Austria is reminded however, that she has a responsibility, which she cannot evade, for participation in the war at the side of Hitlerite Germany, and that in the final settlement account will inevitably be taken of her own contribution to her liberation."

2. All Military Government activities in Austria in the Supreme Commander's Area of Control will follow the general principles set forth in the above declaration.

3. The first proclamation of the Supreme Commander, AEF (Appendix A hereto) provides that the Allied forces enter Austria as victors inasmuch as Austria has waged war as an integral part of Germany against the United Nations; nevertheless, the Moscow Declaration affirms that Austria shall be liberated from German domination and affirms the wish of the Allied Governments to see her reestablished in freedom and independence.

Character of Military Government.

4. The Military Government will be a military administration, which will show every characteristic of an Allied undertaking, acting in the interests of the United Nations. In any proclamations or orders you may issue to the Austrian authorities or people you should take pains to emphasize the Allied nature of the occupation of Austria. The fact that a part of Austria, including the capital, has already been occupied and liberated from German domination by Russian forces should not be lost sight of. The US/UK/FR/USSR flags, when available, should be displayed at all Headquarters and posts of Military Government.

5. The administration of Military Government shall be firm. It will at the same time be just and humane with respect to the civilian population, so far as consistent with strict military requirements.

6. You will make clear to the local population that Military Government is intended:

- a. To aid military operations
- b. To protect displaced United Nations nationals
- c. To destroy Nazism, Fascism, German militarism, and the Nazi Hierarchy.

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DECLASSIFIED  
 AUTHORITY: NND 760219  
 DATE: 2/10/2010

RG 331  
 Entry (40) SHAEF  
 File Mil Govt Austria  
 Box 271

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- d. To maintain law and order
- e. To apprehend and bring to justice war criminals.
- f. To liberate Austria from German domination, and to pave the way for a free and independent Austria.

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7. The administration of Military Government shall be identical throughout the area occupied by your Group of Armies, subject to any special requirements due to local circumstances.

8. Representatives of Allied civilian agencies will not participate in the Military Government of Austria, except to the extent approved by the Supreme Commander, AEF. Such representatives will not be sent to the area occupied by your Group of Armies without your knowledge and approval.

Government Administration.

9. The existing civil administrative, judicial and law enforcement structure will be utilized to the fullest extent possible, subject to removal of controls previously exercised by Germany and Nazi and German militarist influence. Military Government will be effected as a general principle through indirect rule. It is the objective of Military Government to foster the growth of a free and independent Austria based on democratic principles of Government; this objective will require the taking of all reasonable steps to enable the Austrians themselves to build up an acceptable administration.

10. The Supreme Commander, AEF will order (Second Proclamation, Appendix A hereto) all officials and persons, except those suspended or dismissed by Military Government, to remain at their posts until further orders, and to obey and enforce all orders or directions of Military Government or Allied Authorities. This order applies also to officials, employees and workers of all public undertakings and utilities, and to all other persons engaged in essential work.

11. Any organization or individual failing to render full co-operation to Military Government or other Allied Authorities, or failing to comply with any proclamations, orders, ordinances or instructions that may be issued, will be subject to punishment.

12. The removal and replacement of government officials in the area occupied by your Group of Armies, subject to the instructions on removal of Nazis (Annex IV hereof) and to the principles for removal of other German officials (Annex III hereof), will be a matter for your discretion. All appointments of officials shall be temporary. It should be made clear to all governmental officials and employees that their continued employment is solely on the basis of satisfactory performance and behaviour and continued evidence of their political suitability.

13. A large proportion of the administrative positions in Austria have been filled by Reich Germans and the replacement of local government officials may, therefore, have to be more complete than in Germany. To minimize the risk of an administrative breakdown, you should ensure prompt action for the appointment of acceptable substitutes to important administrative positions from which Nazis or other German officials have been removed or have themselves vacated. Every encouragement should be given to Austrians, untainted by Nazi sympathies, to fill these positions. If acceptable Austrian officials cannot be found in time to prevent an administrative breakdown which would imperil the attainment of the objectives of Military Government, you are authorized to permit direct administration by your Military Government personnel as a temporary expediency.

14. Austria, like Germany, has been organized on a highly centralized basis. However, it will be necessary for the Supreme Commander, AEF, during his period and in his area of responsibility, to conduct Military Government on a local basis. The strong controls which have been exercised over Austria from Germany will be cut. Conditions in Austria may be so chaotic in the initial period, that administration above local levels is impossible. Military Government must be such that it can operate under the worst conditions possible, when no responsible or competent authority,

DECLASSIFIED  
 AUTHORITY NND 60219  
 DATE 2/10/82

RG 331  
 Entry (40) SHAEF  
 File Mil Govt Austria  
 Box 271

SECRET

other than at local levels is in existence or available after compliance with Annexes III and IV. If a central operating authority is established in Vienna during the Supreme Commander's AEF period of responsibility, further instructions will be issued respecting co-ordination of local administration with orders and policies directed by such authority.

15. In the meantime, Military Government will be conducted on the basis of local administration. Since Military Government is a command responsibility, military commanders should be given equivalent authority in their areas of control. Command responsibilities will be handled in accordance with para 7, Annex II of this directive.

16. In Austria there is no intermediate administrative unit between the Reichsgaue and the Kreise. As soon as military conditions permit, you will institute action to establish civilian administration at Reichsgaue levels, making such adjustments of military boundaries and command responsibilities as are necessary to accomplish this administration.

17. You will make all appropriate use of the Austrian civil service system, subject, however, to the elimination of Nazi and German elements and controls.

Eradication of Nazism, Fascism, and German Militarism.

18. The dissolution of the Nazi Party and of its subsidiary organizations, the removal of Nazi officials, Fascists, Nazi sympathizers and German militarists from posts of authority and positions of importance in governmental and civil life, the abolition of Nazi discriminatory legislation, the seizure and preservation of Nazi property and records, and other steps necessary to complete the eradication of Nazism from Austria will be carried out in accordance with the Directive contained in Annex IV hereof.

Severance of Austria from Germany.

19. Steps necessary to achieve this political objective are set forth in Annex III hereof.

Political Activity.

20. It will be possible to give more latitude to political activity in Austria than in Germany. However, you may prohibit political activity, political meetings, etc., until you are satisfied that the military situation warrants the resumption of such activity. In any event, unless otherwise specifically ordered by this Headquarters, you will be careful not to lend your support or authority to any political party or policy in Austria. When the military situation will not be prejudiced you may permit the formation of parties and political discussions on the part of those groups demonstrably seeking democratic political life. You will deny the privilege of organization and activity to those groups adopting the form of para-military units, or those advocating National Socialist Fascist or pan-German doctrines. It is desirable that neither political personalities nor organized political groups shall have any part in determining the policies of Military Government.

Freedom of Speech, Press and Religion.

21. Subject to controls necessary in the interests of military security and intelligence and to prohibition of Nazi, Fascist or pan-German doctrines or propaganda, you should permit freedom of speech and press and freedom of worship.

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DECLASSIFIED  
 AUTHORITY: NND 760219  
 DATE: 2/10/72

RG 331  
 Entry (40) SHAEF  
 File M 11 Grant Austria  
 Box 271

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ANNEX IIISEVERANCE OF AUSTRIA FROM GERMANYOBJECTIVES

1. The Moscow "Declaration on Austria" of 1 November 1943, issued by the Governments of the United Kingdom, The Soviet Union, and the United States of America, provides that Austria shall be liberated from German domination. The Governments declare: "They regard the Annexation imposed on Austria by Germany on 13 March 1938 as null and void. They consider themselves as in no way bound by any changes effected in Austria since that time. They declare that they wish to see re-established a free and independent Austria and thereby to open the way for the Austrian people themselves, as well as those neighboring states which will be faced with similar problems, to find that political and economic security which is the only basis for lasting peace".

2. The second proclamation of the Supreme Commander, AEF (see Appendix hereof) provides in part: "We shall pave the way for a free and independent Austria. All German control of Austria is abolished. Your political ties and obligations of obedience to the German Government are hereby terminated. Persons complying with any proclamations, orders, ordinances, or other instructions which may hereafter be issued by, or under authority of the German Government will be punished fully and promptly".

POLICY OF SUPREME COMMANDER, AEF.

3. In order to achieve the above objectives it is the policy of the Supreme Commander to take all practical steps to sever Austria from the controls which have been imposed by Nazi Germany since the Annexation of 13 March 1938.

4. As the period of the responsibility of the Supreme Commander, AEF, is limited, and as the civil administration of Austria in his area will be confined in this period largely to a local basis, many of the measures involved in freeing Austria from the political and economic domination of Germany must be reserved for long range determination and action by the Allied Control Commission. Where you are required by the current, complete integration of Austrian administration with the German administration to take steps with respect to matters in Austria through German agencies located in Germany, you will, in no case, permit the current civil chain of command to operate. In such cases, you will employ the technical channel of communication created between military government echelons and staffs, or in adjacent areas permit free operation of the lateral liaison envisaged in Annex I paragraph 3.

ACTION TO BE TAKEN

5. In accordance with the above policies and pending receipt of further instructions:

a. You will immediately remove all Nazis from posts of authority and important governmental and civil positions in accordance with Annex IV of this directive.

b. As soon as possible you will remove other Reich German personnel appointed by the Nazi Party or the German Government since 13 March 1938 from posts of authority or policy making or executive positions in Austrian civil administration, governmental or quasi-governmental agencies, financial institutions, or civilian agencies, businesses or industrial undertakings directly supervised, utilized or controlled by Military Government. Temporary postponement of removal of Reich Germans proscribed in this sub-paragraph is authorized only if you are satisfied that such removal would result in an administrative breakdown which would imperil the attainment of the objectives of the occupation.

c. You will, as soon as possible, remove all supporters of Greater Germany from the positions specified in sub-paragraph b., above, "Supporters of Greater Germany" is defined as those persons who have actually fought for or promoted the incorporation of Austria into Nazi Germany.

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 RG 331  
 Entry (40) SHAEF  
 File Mil Govt Austria  
 Box 271

SECRET

d. You will, in addition to the prohibition of Nazi doctrines and propaganda, prohibit propaganda reflecting pan-Germanism or the renewal of association with Germany and will prevent any other activities directed towards such ends.

e. You will prohibit all communication of any nature between Germany and Austria subject to specific authorization by Military Government.

f. You will prohibit trade or commerce across the Austria - German frontier, subject to specific authorization by Military Government. (If you consider that a limited border trade between local communities is necessary to prevent undue hardships on the civilian population of Austria or to prevent an undue strain on local resources in Austria, you should report the facts, together with your recommendations with respect to the manner and extent to which such border trade is believed to be desirable, to this Headquarters.

g. You will annul German legislation which provides for any German Controls in Austria and which changes judicial procedures and the Austrian Court system.

h. You will initiate, if possible, a preliminary survey of any assets currently held by Reich agencies which were formally held in Austria such as those of the Federation of Trade Union, Wholesale and Consumers Co-operatives, Austrian Labor Groups and so forth.

i. You will initiate a survey of important administrative records removed from your area in Austria, currently in Germany which will be required in Austria.

j. You will establish and report on the location of any German agencies and German administration records in your area in Austria.

k. In permitting Austrian authorities to build up civil administration, governmental functions, and economic relationships beyond local levels, you will prohibit any resumption of connections with German civil administration, German governmental functions, and German economic enterprises.

6. The following are actions which may not <sup>be initiated</sup> be initiated in the period of the Supreme Commander's, AEF period of responsibility or which may be directed by the Allied Control Council.

a. A preliminary survey of securities and ownership rights in Austrian Co-operatives held by German agencies.

b. A preliminary survey of any other assets currently held by Reich agencies which were formally held in Austria such as those of the Federation of Trade Union, Wholesale and Consumers Co-operatives, Austrian Labor Groups and so forth.

c. A preliminary survey of basic goods for which Austria is currently dependent on Germany, such as coal.

d. A preliminary survey of steps looking forward to the re-establishment of territorial functions along the German-Austrian frontier.

e. A survey of Austrian service personnel currently employed in Germany with a view to their recall to strengthen Austrian administrative machinery.

f. A survey of Austrian agencies abolished or suppressed by the Germans which should be re-established with a view to recreating a free and independent Austria.

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 RG 331  
 Entry (40) SHAEF  
 File Mil Govt Austria  
 Box 271

SECRETANNEX VIIIFINANCE AND PROPERTY CONTROLPOLICIES:

## 1. As a matter of policy you will take only such measures:

a. As are essential to avoid conditions which will adversely affect military operations or occupation, or obtain the ultimate establishment of a free and independent Austria.

b. As will assist the Supreme Commander, AEF and any succeeding control organization in dealing with those undesirable situations, practices, institutions and persons which the Supreme Commander, AEF may designate.

c. As will facilitate control of the foreign exchange and foreign owned assets of Austria, and of the properties in Austria of the United or Neutral Nations or nationals thereof.

d. As will facilitate procurement of such financial and economic intelligence as will enable the Supreme Commander, AEF and any succeeding control organization to discharge their programs and responsibilities.

ACTION

## 2. You will:

a. Utilize the personnel and financial administrative machinery existing in Austria at the time of occupation to the maximum extent consistent with the policies of the Supreme Commander, AEF, and existing financial laws and regulations will be retained except where they conflict with your objectives or the aims of Military Government.

b. Remove all German controls and influences from financial organizations in accordance with Annex III.

c. De-nazify all financial organizations in accordance with Annex IV.

INFLATION

3. The establishment of a comprehensive financial program to deal with long-range problems of inflation is not, at least initially, your responsibility. During the period of Military Government, the Austrian Authorities should be directed to continue and enforce the counter-inflationary controls already operating, such as rationing and measures to control prices and combat black markets, subject to the requirements of the military situation and the programs for eliminating discriminatory and objectionable practices and personnel.

CURRENCY

4. a. Allied Military schillings will be made legal tender and will be used by the Allied Forces for the pay of troops and their own direct expenditures. You are empowered to authorize the use of such Allied Military schillings for Military Government purposes should this be essential to military operations or Military Government. The German Reichsmark and Rentenmark will continue, initially, to be legal tender or legally admitted and valid, respectively, and will circulate with Allied Military schillings at a rate to be announced. Reichskreditkassenscheine and other German Military currency and coin will not be legal tender nor valid.

b. Pending the establishment of an indigenous currency issuing agency, an Austrian Currency Section will be established as a section of the Financial Division of Military Government and will be the sole source of currency for use in Austria by the Allied Forces and the Military Government. When Allied Military stamps are used, this Currency Section will hold them in reserve and issue them in bulk to the Military Government PT&T Officers or the Austrian postal authorities as needed.

316766

RG 331  
 Entry (40) SHAEF  
 File Mil Govt Austria  
 Box 271

SECRET

c. The Currency Section will be responsible for the receipt, storage, issue, exchange, and shipment of Allied Military schillings, and will maintain all the records and accounts essential to the control, movement, and supply of such currency. The Currency Section will also assemble the financial data which may be useful in the determination of expenditures arising out of activities or operations in which the Allied Forces are involved. They will debit the branch of the Allied Forces concerned for all Allied Military schillings disbursed for pay and other cash requirements and will debit the Military Government for all Allied Military schillings disbursed for Military Government.

d. If, during the initial phase of operations, cash for Military Government purposes cannot be obtained from the Austrian Currency Section and the need for such funds is urgent, authorized Military Government Finance Officers may obtain temporary advances of authorized currency from Army paymasters.

e. As soon as banking facilities are under adequate control, the Currency Section may use the Austrian branches of the Reichsbank, or other banks approved by you, for the purpose of receiving and paying out funds.

f. Until further notice Allied Forces will continue to use Allied Military schillings for pay of troops. So far as possible the means of payment for other direct expenditures of the Allied Forces will be provided by Austrian Authorities. The financial requirements of Austrian Authorities and institutions will be met by advances from Austrian banks, if necessary. Only in the event of this proving impracticable and it being essential to military operations or to the achievement of Military Government objectives, will Allied Military schillings be advanced by military or Military Government authorities for purposes other than the pay of troops or utilized to make advances to banks or Austrian Authorities.

g. United States dollar notes and regular British pound notes will not be legal tender. No person, agency or bank, whether or not engaged in the exchange of money, will be allowed to acquire or otherwise deal in these notes, except as the Military Authorities may authorize. U.S. Army and Navy Finance Officers and British Paymasters may, however, be authorized to accept non-yellow seal U.S. dollar notes and regular British pound notes from United States and British Military or authorized personnel and after satisfying themselves as to the source of the notes, convert them into local currency at the decreed rates of exchange.

#### EMERGENCY USE OF YELLOW SEAL DOLLARS AND BMA CURRENCY

5. In the event that adequate supplies of Allied Military schillings are not available, U.S. Forces may request authority to use United States yellow seal dollars and regular United States coin and British Forces may request authority to use British Military Authority notes and regular British coin. Records will be kept of the amount of each such currency used. The following provisions will apply for the use of United States yellow seal dollars and British Military Authority notes.

a. If necessary, a proclamation will be issued requiring all persons to accept United States yellow seal dollars and British Military Authority notes at the decreed rates. Transactions at any other rates will be prohibited.

b. The issuance of United States yellow seal dollars and British Military Authority notes will cease and Allied Military schillings will be used in their places as soon as available.

#### RATE OF EXCHANGE

6. a. The rate of exchange to be used exclusively for pay of troops will be established at:

\_\_\_\_\_ Allied Military Schillings to 1 U.S. dollar.  
 \_\_\_\_\_ Allied Military Schillings to 1 pound sterling.  
 \_\_\_\_\_ Allied Military Schillings to 1 mark  
 10 Allied Military marks, Reichsmarks or Rentenmarks to 1 U.S. dollar.  
 40 Allied Military marks, Reichsmarks or Rentenmarks to 1 pound sterling.

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DECLASSIFIED  
 AUTHORITY: NND 760 219  
 DATE: 2/10/72

RG 331  
 Entry (40) SHAEF  
 File Mil Govt Austria  
 Box 271

SECRET

Transactions at any other rate of exchange are illegal and prohibited both to members of the Allied Forces and to civilians. A general rate of exchange may be furnished to you later. The authority to fix rates of exchange is reserved to the Supreme Commander, AEF.

b. The rate of exchange between the United States yellow seal dollar and the British Military Authority notes, if used, will be 4.035 dollars to 1 pound, and the 2 currencies will be interchangeable at that rate.

#### FINANCIAL INSTITUTIONS

7. a. Financial Institutions should not be closed by you unless absolutely necessary and then only long enough to introduce satisfactory control, to remove objectionable personnel, and to issue instructions for the blocking of certain accounts. As soon as practicable, Financial Institutions will be required to file reports listing assets and liabilities, and all accounts in excess of certain sums. Financial Institutions, if closed because of military operations, should be permitted to reopen as soon as possible.

b. Except as otherwise authorized by Military Government, Financial Institutions will be permitted to open and operate only schilling and mark accounts; but, if yellow seal dollars and British Military Authority notes are made legal tender, they may be accepted at the decreed rate of exchange and should be turned in as directed by Military Government in exchange for schilling (or mark) currency at the decreed rate of exchange.

c. You are empowered to authorize the Austrian Currency Section to make emergency advances of Allied Military shillings to the financial system only if available sources of credit or supply of mark currency are inadequate and if failure to make such loans would impede Military operations or the achievement of Military Government objectives. As soon as practicable after a branch of the Reichsbank or other suitable bank has come under your control you should take the necessary steps to utilize such bank and such valid currency as may be available for its own business, including the administration of other banks, and the functions described in para 4 f. above.

d. Without authority from this Headquarters no Governmental or private bank or agency will be allowed to issue bank notes or currency.

e. Until otherwise ordered, existing legal provisions with respect to the regulation and supervision of Financial Institutions will remain in force, except:

(1) As modified by Military Government laws and regulations and:

(2) In cases in which reference to any other agency outside occupied Austria was heretofore required.

f. All financial services of the Postal System may be permitted to operate within Austria as soon as security considerations permit.

g. Access to safe deposit boxes and vaults and other objects left for safekeeping will be permitted only when a proper system of control has been introduced by Military Government.

h. Stock and commodity exchanges if closed, will be permitted to reopen and operate subject to control of Military Government.

i. Insurance companies will be permitted to operate subject to control of Military Government.

#### MORATORIUM

8. A moratorium, general or limited, will be established only if required by the situation found in the area and then only upon the express authority of the Supreme Commander, AEF.

316768

DECLASSIFIED  
 AUTHORITY NND 760219  
 DATE 2/10/72

RG 331  
 Entry (40) SHAEF  
 File Mil Govt Austria  
 Box 271

SECRETFOREIGN EXCHANGE CONTROL.

9. Except as permitted under regulations to be issued, you will make arrangements to ensure that transactions with respect to the following are prohibited:

a. Foreign exchange assets, including gold or silver coin; gold, silver or platinum bullion; foreign currencies; checks, bills of exchange and other similar instruments drawn on or issued by persons outside of Austria; foreign securities; Austrian-owned property located outside Austria, claims against or involving persons outside Austria, or expressed in foreign currency; and assets expressed or payable in foreign currency. Except as authorized by the Supreme Headquarters, AEF, the importation of German or other foreign currency and securities will be prohibited.

b. Properties in Austria owned or controlled, directly or indirectly, in whole or in part, by persons outside Austria.

c. Transactions between persons inside Austria and persons outside Austria.

d. Transactions in Austria involving obligations owed to or to become due from any persons in Austria to any person outside Austria.

e. Transactions involving the bringing into Austria of foreign exchange assets, including Austrian or German Currency or securities, and the removal or remitting of property or interests therein, from or to Austria.

PUBLIC FINANCE.

10. a. Discriminatory taxes and practices will be abolished. Prompt action will be taken to ensure that Austrian Authorities maintain the inflow of revenue at the highest possible level. You will, accordingly, permit collection of taxes and other public income and budgetary expenditures by local Austrian Authorities who will continue to be responsible therefor. Existing machinery, where practicable and where not in conflict with the Supreme Commander's policies, will be used for the administration of both revenue and expenditures.

b. You will ensure that expenditures are not made for purposes that might be prejudicial to the military situation or to the programme for control or elimination of certain Austrian institutions and persons and to ensure that taxes are not collected under the laws and for the organizations abolished or suspended by order of Military Government. In other respects, you will order the Austrian Authorities to continue collection of taxes and other public income and the incurring of budgetary expenditures by local Austrian Authorities, who will continue to be responsible in such regard.

c. The railways, postal, telegraph, and telephone services, radio and all Government monopolies, should be placed under the control of the Military Authorities and in your discretion, their revenues be made available to Military Government.

d. The Austrian Authorities, the Austrian financial system, and other normal local channels of finance will provide and pay for all required government services, including all extraordinary and emergency needs, and labor, supplies, equipment and transportation required for all Military Government purposes as well as financing essential activities of private enterprises. Necessary funds to meet deficits of both government and essential industries will be obtained through normal Austrian channels, such as borrowing from higher governmental authority, from the banks and the public. Only if such local agencies are not able to make such advances in adequate amounts and the failure to make such loans would be prejudicial to military operations or Military Government, will Military Government make advances of funds for such purposes. In such case, loans will be made at the highest available level, and preferably to governments or governmental agencies or banks, in order to make maximum use of existing channels, controls and personnel.

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e. In the absence of further instructions, the servicing of all obligations of the German Reich or of its political sub-divisions will be suspended. The servicing of all Austrian municipal or other public obligations will be the responsibility of the Austrian public officials concerned.

f. The Austrian authorities should be instructed that all bona fide Austrian Government civil and military pensions, allowances and social security payments should continue to be paid but all pensions, allowances or bonuses of Nazi inception will be nullified. No pensions of any sort will be paid to Germans in Austria and payments arising out of service at any time by Austrians in the German Armed Forces will not be paid. Steps should be taken as soon as practicable for a study of previous records to nullify all unnecessary or undesirable pensions.

TAX IMMUNITY.

11. You will ensure that the personnel, equipment and transactions of Allied Forces and their personnel are exempt from all Austrian taxes, customs and other levies (including social security contributions) except that personal expenditures of Allied personnel may be liable to non-discriminatory sales taxes.

ACCOUNTING AND AUDITING.

12. Appropriate accounting procedure for both cash and supplies will be followed at all echelons of command in accordance with instructions issued by the Supreme Commander, AEF.

FINANCIAL INTELLIGENCE.

13. Financial intelligence relating to all phases of the financial and economic life of the area under your control will be obtained.

BLOCKING AND CONTROL OF PROPERTY.

14. a. You will issue necessary instructions to ensure the institution of such blocking (freezing) or impounding measures as are necessary to prevent, except as permitted under licenses or other instructions you may issue, any transactions or other dealing in any:

- (1) Property (including gold, foreign currencies, foreign securities, accounts in financial institutions, credits, valuable papers and all similar assets) owned or controlled directly or indirectly, in whole or in part, by any of the following:
  - (a) The German Reich, or any of the Länder, Gaue, or Provinces, or other similar political subdivisions, or any agency or instrumentality thereof, including all utilities, undertakings, public corporations or monopolies under the control of any of the above;
  - (b) Governments, nationals or residents of countries other than Austria which have been at war with any of the United Nations at any time since 1 September 1939, and governments, nationals or residents of territories which have been occupied since that date by such nations;
  - (c) The NSDAP, all offices, departments, agencies and organizations forming part of, attached to, or controlled by it; as well as their officials, leading members and supporters;
  - (d) Persons while held under detention or any other type of custody;
  - (e) All organizations, clubs or other associations prohibited or dissolved by Military Government;

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 Entry (40) SHAEF  
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- (f) Owners, absent from the Supreme Commander's area of control and Nationals and Governments of United Nations and neutral nations;
- (g) All other persons specified by Military Government.
- (h) Any institution dedicated to public worship, charity or education or the arts and sciences; and
- (2) (a) Property which has been the subject of duress, wrongful acts of confiscation, dispossession or spoliation from territories outside Austria, whether pursuant to legislation or by procedures purporting to follow forms of law or otherwise;
- (b) Works of art or cultural material of value or importance, regardless of the ownership thereof.

b. You will also take into your control, custody or possession and hold and administer until you are otherwise directed such of the categories of property listed in 14 a (1) (a) through (g) above or in 14 a (2) (a) and (b) above, as are directed by this Headquarters.

TRADING WITH THE ENEMY.

15. a. You will cause Trading with the Enemy Legislation regarding trade with any of the United Nations to be abrogated.

b. You will cause all lists which have the effect of prohibiting or restricting trade with persons named thereon because of their relations with the United Nations to be abrogated.

c. You will prohibit all transactions which directly or indirectly involve any trade or communication with

- (1) Germany as constituted on 31 December 1937
- (2) Any enemy national or organization in territory occupied by the enemy or engaged in hostilities against the United Nations, and
- (3) Any person or organization whose name is specified on lists furnished to you for this purpose.

ADMINISTRATIVE EXPENSES.

16. Services, equipment, supplies and office space necessary for the conduct of Military operations and Military Government shall be obtained as far as possible from the appropriate branch of the Allied Military Services or, in the absence of such Services, direct from the Austrian public authorities. If it is impossible to secure them from such sources, you are authorized to make necessary expenditures from Military Government funds. Expenditures of Military Government funds is prohibited for all personal needs such as billeting, rations, fuel, personal servants and officers' mess expenses, except under your instructions. Claims of civilians against Allied Forces will not be handled by the Military Government, though Military Government officers may assist by forwarding such claims to the appropriate military agency.

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SUPREME HEADQUARTERS  
ALLIED EXPEDITIONARY FORCESECRET

November, 1944

SHAEF/21540/5/PHP  
GCT 388.5-7/PHP

SUBJECT : Coordination of planning for the pre-surrender period in GERMANY

TO : Major General S.W. Kirby,  
HC Control Commission for GERMANY  
(British Element)  
  
Brigadier General N. Wickersham,  
US Group Control Council for GERMANY

1. Attached is a memorandum outlining the machinery suggested for coordinating the planning for Military Government and control during the Supreme Commander's period of responsibility.
2. You will see that the broad conclusions are:-
  - a. Joint working groups, composed of members of this Headquarters and your Headquarters, are required to set to work at SHAEF as soon as possible on problems of Military Government and control during the pre-surrender period.
  - b. The Control Council (US) and Control Commission (British) should establish as soon as possible joint ministerial control teams to plan for such re-establishment of central government as is possible during the post-surrender period of the Supreme Commander's responsibility.
3. Both the sets of working parties referred to above may later have to include French representation.
4. An early meeting is suggested so that the proposals outlined in the memorandum can be discussed and an agreed procedure arrived at. It is requested, therefore, that the Control Council (US) and Control Commission (British) forward agreed proposals as to date and place for the meeting.

F.E. MORGAN,  
Lieutenant General,  
Deputy Chief of Staff.

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RG 331  
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SUPREME HEADQUARTERS  
 ALLIED EXPEDITIONARY FORCE

SECRET

November, 1944

SHAEF/21540/5/PHF  
GCT 388.3-7/PHF

SUBJECT : Coordination of planning for the pre-surrender period in GERMANY

TO : Major General S.W. Kirby,  
 HQ Control Commission for GERMANY  
 (British Element)

Brigadier General N. Wickersham,  
 US Group Control Council for GERMANY

1. Attached is a memorandum outlining the machinery suggested for coordinating the planning for Military Government and control during the Supreme Commander's period of responsibility.
2. You will see that the broad conclusions are:-
  - a. Joint working groups, composed of members of this Headquarters and your Headquarters, are required to set to work at SHAEF as soon as possible on problems of Military Government and control during the pre-surrender period.
  - b. The Control Council (US) and Control Commission (British) should establish as soon as possible joint ministerial control teams to plan for such re-establishment of central government as is possible during the post-surrender period of the Supreme Commander's responsibility.
3. Both the sets of working parties referred to above may later have to include French representation.
4. An early meeting is suggested so that the proposals outlined in the memorandum can be discussed and an agreed procedure arrived at. It is requested, therefore, that the Control Council (US) and Control Commission (British) forward agreed proposals as to date and place for the meeting.

F.E. MORGAN,  
 Lieutenant General,  
 Deputy Chief of Staff.

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RG 331  
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316774

COORDINATION OF PLANNING FOR THE PRE-SURRENDER PERIOD  
IN GERMANY

OBJECT

1. To establish the best machinery for coordinating planning between SHAEF, the British Control Commission and the US Control Group for Military Government and control in GERMANY with particular reference to ensuring that short term policies, during SHAEF's period of responsibility, and long term policies, during the Control Commission's period of responsibility, march in step.

PHASING OF OPERATIONS

2. Military operations in GERMANY fall into three main phases, i.e.

- a. The "rough and tumble" period prior to German surrender, *in declaration of Ecclipses conditions*
- b. The period immediately following surrender during which the central organisation of the German ministries is being reconstituted, *Talman*
- c. The final period when a central organisation has been set up in BERLIN and is functioning either under the Supreme Commander's control or as separate entities under the Allied governments.

The machinery required for the first two of these phases is discussed in some detail below.

THE "ROUGH AND TUMBLE" PHASE

3. During the battle period prior to surrender responsibility for Military Government will rest largely in the hands of Army Groups. There will, however, be no central government, as has existed in liberated countries, to provide coordination and uniformity of procedure. Government will in fact be created on a decentralised basis behind the lines as the advance continues. The responsibility for coordination and the provision of broad policies will perforce fall upon Supreme Headquarters.

4. During this phase, which has incidentally already started, there will be every advantage in having readily available at Supreme Headquarters representatives of the Control Commission (Br) and US Group Control Council to work with the G-5 staff at Supreme Headquarters on the creation of policies and the solution of such problems as are referred to SHAEF by Army Groups. This course would ensure continuity and would enable the Control Commission/Council to put forward their views from the outset.

5. The same will apply, though possibly to a lesser degree, to other matters such as disposal of war material, the evacuation of prisoners of war, the control of telecommunications and transportation and the coordination of security measures.

6. It is suggested that working groups (composed of representatives of SHAEF - Control Council (US) - Control Commission (Br)) are required, and that, initially, the Control Council/Commission should provide officers as follows:

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 Authority NND760219  
 By WSP NARA Date 2/10/88

RG 331  
 Entry 40(SHAEF)  
 File Post Hostilities  
 Box 274

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Function	OFFICERS	
	Control Council (US)	Control Commission (Br)
(a) <u>Enemy war material</u>	3 *	3 *
(b) <u>Prisoners of War</u>	1	1
(c) <u>Counter-intelligence</u>	1	1
(d) <u>Movement and transportation</u>	1	1
(e) <u>Supply and Economics</u>		
Agriculture and Food	1	1
Heavy industries and trade	1	1
Postal	1	-
Telecommunications	-	1
Labour	1	1
Public Utilities	1	1
(f) <u>Displaced Persons and     Welfare</u>	5	5
(g) <u>Finance</u>		
Finance	2	2
Property Control	1	1
(h) <u>Public Health</u>	1	1
(i) <u>Public Safety</u>	1	1
(j) <u>Education</u>	1	1
(* One Army, one naval and one air)	22	22

SHAEF would provide officers to work with each of the above groups and, since the Supreme Commander will be ultimately responsible, the chairman for each working group would be provided by SHAEF. Later it may be necessary to provide some French representation.

#### THE PERIOD IMMEDIATELY FOLLOWING SURRENDER

8. Plans are now being made (Control Commission paper H/1621 (CO) of 31st October, 1944 refers) to form Ministerial Control Reconnaissance Teams to be put into BERLIN as soon as possible after surrender. One of the chief duties of these teams will be to call forward reinforcements and then to reconstitute the various German ministries as operating agencies. This process will undoubtedly take time and it may be a matter of months before central control can be initiated. Communications, apart from other considerations, may be the limiting factor.

9. During the period of reconstruction in BERLIN SHAEF will have to continue as the central authority for Military Government and control in Western GERMANY. It will not be possible, therefore, for the working groups referred to in paragraph 6 to "double" with the ministerial teams.

10. The Supreme Commander's policy is that members of the Control Council and Control Commission sent to BERLIN during his period of responsibility should not work independently but as a team; and that one officer should be nominated as the chief of each ministerial group.

11. It would seem that the best way of tackling the problem would be for the Control Council (US) and the Control Commission (Br) to establish joint nucleus ministerial control teams:



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RG 331  
Entry 40(SHAEF)  
File Post Hostilities  
Box 274

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of this year and before initial effort of any kind is made to prepare plans for the initial period when they will be operating under the Japanese Government's control.

To agree on the individual staff for each ministerial team.

To forward agreed plans to SHAN for approval.

12. In preparing the plans required under paragraph 11 (a), the following ministerial control teams should take into consideration the views of each function and branch Control Commission groups as are present in SHAN.

13. It is recommended that:

(a) Joint working groups (as outlined in paragraph 11) be set up forthwith in the neighborhood of Bureau Headquarters to test the requirements of the Military Government in the pre-arranged period.

(b) The Control Council (US) and Control Commission (UK) should consider the immediate formation of joint ministerial control groups to test the requirements of paragraph 11.



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**SUPREME HEADQUARTERS  
 ALLIED EXPEDITIONARY FORCE  
 G-3 Division (Main)**

SHAEF/21512/6/PFF  
GCT/387.4-17/PFF

15<sup>th</sup> October, 1944

**SUBJECT :** Relationship between Supreme Headquarters, AEF, and the Control Commission/Council

**TO :** G-1 Division,  
 G-2 Division,  
 G-4 Division, ✓  
 G-5 Division,  
 Allied Naval Commander, Expeditionary Force (Rear),  
 Allied Expeditionary Air Force (Rear),  
 United States Strategic Air Force.  
*Engineering and Signal Divisions should be included.*

1. Staff Memorandum No.104 dated 29th August has now been outdated both by events and by changes in policy.
2. Certain agreements were reached on 28th September between G-5, Supreme Headquarters, AEF, and the heads of the British Control Council and United States Control Commission, and it is now desirable that these agreements should be placed on a Supreme Headquarters, AEF, level.
3. It now seems possible that a formal surrender will not take place. In this event it would seem that the time at which the Control Council and Commission should come under command of Supreme Commander, AEF, is on the initial occupation of BERLIN.
4. Certain changes in policy have taken place regarding the provision of personnel for control in GERMANY. Furthermore, the requirements of liberated countries would appear to be rapidly diminishing.
5. The following amendments to Memorandum 104 are proposed.
6. Delete para. 2 and substitute:
  - \*2. British and United States Control Staffs for GERMANY
    - a. Prior to the occupation of BERLIN
      - (1) The British Staff is provisionally termed the Control Commission for GERMANY (British Element) and is now responsible to the United Kingdom Government.
      - (2) The United States Staff is provisionally termed the United States Group Control Council (GERMANY) and is now responsible to General Eisenhower in his capacity as Commanding General United States Army Forces, European Theater of Operations.
    - b. During the occupation of BERLIN by forces under the command of the Supreme Commander
      - (1) While such personnel will ultimately function in GERMANY

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 Entry 40(SHAEF)  
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under the British Commander-in-Chief and the United States Theater Commander respectively, in the initial stages of the occupation of BERLIN and until the Combined Command is terminated, elements of the British and United States Control Council/Commission will function under the command of the Supreme Commander, AEF, in BERLIN."

Add new sub-para. 2.

"3. These elements will initially form a small reconnaissance team to survey the situation on the ministerial level. Additional personnel will be called forward through Supreme Headquarters, AEF, on the recommendation of this reconnaissance team. These personnel will not be integrated, but coordination will be effected by nominating a member of the Control Commission/Council or by a special officer provided by Supreme Headquarters, AEF. All channels of communication will run through Supreme Headquarters, AEF."

7. Delete para. 8 and substitute:

" 8. a. At no time will the British and United States elements of the Control Commission/Council form part of Supreme Headquarters, AEF; but, during the period between the initial occupation of BERLIN and the termination of Combined Command in GERMANY, they will be under the command of Supreme Commander, Allied Expeditionary Force.

b. The elements of the Control Commission/Council located in BERLIN will be the channel of communication between the Supreme Commander and the German Central Authorities. *Para 9 to be deleted*

c. Control staffs in Army Group areas will be responsible to the Supreme Commander through normal command channels."

8. Para. 9 : For "civil affairs" substitute "military government".

9. Para. 10 : Delete sub-paras a. and b. and substitute:

"a. Requirements for army personnel for control duties of all natures both for the liberated countries and for the initial period of occupation of GERMANY will be submitted to the War Office by Supreme Headquarters, AEF, after coordination with the Control Commission (British element). The only exceptions to this will be the personnel required for the headquarters, of the Control Commission and for military government in Berlin Municipality. This will be the responsibility of the Control Commission (British element).

b. Requirements for Naval control personnel for the initial period of occupation of GERMANY will be submitted to the Admiralty by the Naval section of the Control Commission (British Element).

10. Para. 11 : Delete references to liberated countries in sub-paras a. b. and c.

11. Delete para. 11.

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12. Your comments on the above proposed amendments are requested by 25th October. A new draft will then be submitted to the Control Commission and Central Group for their approval.

For AC of S, G-3:



T.N. GRAZEBROOK,  
Colonel, GS,  
Chief, Post-Hostilities Planning Sub-Sec

Copy to G-3 (C & E Section)

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 Entry 40(SHAEF)  
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SUPREME HEADQUARTERS  
 ALLIED EXPEDITIONARY FORCE

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 : 5 December 1944 :  
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STAFF MEMORANDUM )  
 :  
 NUMBER 130 )

AFO 757  
 5 December 1944

RELATIONSHIP BETWEEN SUPREME HEADQUARTERS  
 ALLIED EXPEDITIONARY FORCE AND THE UNITED STATES AND  
 BRITISH ELEMENTS OF THE CONTROL COMMISSION/COUNCIL FOR GERMANY

1. Staff Memorandum Number 104, this headquarters, cs, is rescinded and the following substituted therefor.
2. Object. The object of this memorandum is to prescribe the relationships between Supreme Headquarters, AEF, and the British and United States Staffs which are being organized by the United Kingdom and United States Governments for the control, on a tripartite basis with the USSR Government, of Germany after surrender, or cessation of organized resistance.
3. This memorandum is based on the assumption that, from the termination of Supreme Headquarters; its responsibilities in this regard will pass immediately to the Tripartite Control Commission/Council. It does not cover the contingency whereby the responsibilities of the Supreme Commander may have been terminated prior to the establishment in Germany of the Tripartite Control Commission/Council.
4. British and United States Control Staffs for Germany.
  - a. Prior to the occupation of Berlin.
    - (1) The British Staff is provisionally termed the Control Commission for Germany (British Element) and is now responsible to the United Kingdom Government.
    - (2) The United States Staff is provisionally termed the United States Group Control Council (Germany) and is now responsible to General EISENHOWER in his capacity as Commanding General, United States Army Forces, European Theater of Operations.
  - b. During the occupation of Berlin by forces under the command of the Supreme Commander.
    - (1) While these staffs will ultimately function in Germany under the British Commander-in-Chief and the United States Theater Commander respectively, in the initial stages of

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RG 331  
 Entry 40(S)AEF  
 File Post Hostilities  
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the occupation of Berlin and until the Combined Command is terminated, elements of the British and United States Control Council/Commission will function in Berlin under the command of the Supreme Commander, AEF.

- (2) These elements will initially form a small reconnaissance team to survey the situation on the ministerial level. Additional personnel will be called forward through Supreme Headquarters, AEF, on the recommendation of this reconnaissance team. These personnel will not be integrated, but coordination will be effected by nominating a member of the Control Commission/Council or by a special officer provided by Supreme Headquarters, AEF.

5. Throughout planning it must constantly be borne in mind that the policy and organization initiated during the period of responsibility of the Supreme Commander must fit into the pattern of the long term policies and organization being worked out by the British and United States Elements of the Control Commission/Council in accordance with the established policies of the three Powers.

6. It is essential therefore that the British and United States elements should work in the closest liaison with each other, with the Russian element when formed, and with Supreme Headquarters, AEF.

7. To assist Supreme Headquarters, AEF in this respect the British and United States elements will:

a. Advise Supreme Headquarters, AEF, regarding the composition and organization of the machinery for control in the Supreme Commander's area of responsibility in Germany.

b. Advise Supreme Headquarters, AEF, on the measures to be taken to implement established policies.

8. Relationship During the Period of the Supreme Commander's Responsibility. The Supreme Commander will be responsible initially for the occupation and control of Northwest and Southern Germany and of the United Kingdom and United States sectors of the Berlin area. The agreed policy of the three Powers will be conveyed to him through the Combined Chiefs of Staff.

9. At a time to be determined by the United Kingdom and United States Governments, and under instructions from the Combined Chiefs of Staff, the Supreme Commander will be relieved of this responsibility, which will be assumed by the Tripartite Military Control Commission/Council working under their respective governments. It is anticipated that this will occur as soon as practicable after the cessation of organized hostilities and completion of occupation by forces of the United Kingdom, United States of America and USSR.

- 2 -  
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RG 331  
 Entry 40(SHAEF)  
 File Past Hostilities  
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SUPREME HQ, AEF  
 Staff Memo No. 130

10. a. At no time will the British and United States elements of the Control Commission/Council form part of Supreme Headquarters, AEF, but, during the period between the initial occupation of Berlin and the termination of Combined Command in Germany, they will be under the command of Supreme Commander, Allied Expeditionary Force.

b. The elements of the Control Commission/Council located in Berlin will be the normal channel of communication between the Supreme Commander and the German Central Authorities in Berlin or elsewhere.

c. Responsibility for control activities in Army Group areas will follow normal command channels up to Supreme Headquarters.

11. Provision of Personnel. The date of the conclusion of hostilities and the situation of the Allied Expeditionary Force at that time cannot be forecast with any precision. Plans for control personnel in Germany and control personnel in liberated countries will need adjustment from time to time, depending on the progress of operations. It is therefore essential that plans for the utilization of personnel shall be flexible. Thus, the United Kingdom and United States elements may include personnel already earmarked by Supreme Headquarters, AEF (and/or Army Groups) for military government, censorship etc., while Supreme Headquarters, AEF (and/or Army Groups) may by mutual arrangement call on personnel provided by the United Kingdom and United States elements of the Control Commission/Council to assist them in their duties.

12. Allied Expeditionary Force requirements for British personnel during the period of Combined Command.

a. Requirements for army personnel for control duties of all natures, both for the liberated countries and for the period of the Supreme Commander's responsibility in Germany will be submitted to the War Office either by Army Group or by Supreme Headquarters after coordination with the Control Commission (British Element). The only exceptions to this will be personnel required for Headquarters of the Control Commission, for control on the Ministerial level, for Military Government in the Greater Berlin Area and, as agreed with Supreme Headquarters, for Transportation personnel and Education Control Staffs in the British zone. The above will be the responsibility of the Control Commission (British Element).

b. Requirements for Naval control personnel both for the liberated countries and for the initial period of occupation of Germany will be submitted, to the Admiralty by the Allied Naval Commander, Expeditionary Force, after coordination with the Naval section of the Control Commission (British Element).

c. Requirements for Royal Air Force personnel for the liberated countries and for the period of the Supreme Commander's responsibility in Germany will be submitted, after coordination with the Control Commission (Air Forces Division), by Supreme Headquarters, AEF, to the Air Ministry.

- 3 -

S E C R E T

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RG 331  
 Entry 40(S)AEF  
 File Post Hostilities  
 Box 274

SECRET

The only exception to this will be the personnel required for the Headquarters of the Control Commission (Air Forces Division). This will be the responsibility of the Control Commission.

13. Allied Expeditionary Force Requirements for United States personnel during the period of Combined Command.

a. Requirements for army personnel for control duties for period of the Supreme Commander's responsibility in Germany will be submitted to Headquarters, European Theater of Operations, after coordination with the United States Control Group by:

- (1) Army Group Headquarters for any personnel necessary in augmentation of normal staffs.
- (2) By Supreme Headquarters for all other personnel except that the personnel required for the Headquarters of the Control Council and control on the ministerial level will be the responsibility of the United States Control Group.

b. Requirements for Naval personnel both for the liberated countries and for Germany will be submitted to Commander, United States Naval forces in Europe, by the Allied Naval Commander, Expeditionary Force, after coordination with the United States Control Group.

c. Provision of Air Corps personnel both for the liberated countries and for Germany will be the responsibility of the United States Strategic Air Force after coordination with the United States Control Group.

14. Coordination with Supreme Headquarters, AEF. Within Supreme Headquarters, AEF, overall coordination of planning for the occupation of Germany will be effected by the Deputy Chief of Staff. All divisions of Supreme Headquarters, will, however, insure that planning of matters of their particular concern is carried out in the closest touch with the appropriate branch of the United States and British Elements of the Control Commission/Council.

By command of General EISENHOWER:

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RG 331  
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Page 2

**SECRET**

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AUTH: A/Deputy, US Grp CC
INIT: <u>JW</u>
DATE: 16 January 1945

U S GROUP C C  
 APO 742

16 January 1945

PLANNING DIRECTIVE NO. 2

SUBJECT: Flexibility and Completeness of Plans.

TO : Directors, All Divisions.

1. References.

a. Agreement on Control Machinery in Germany. (EAC Minutes dated 14 November 1944).

b. JCS 1130/2, "Agreement in the European Advisory Commission with Respect to Control Machinery in Germany", dated 8 December 1944, as amended by JCS 1130/2, dated 23 December 1944.

c. JCS 1067, dated 24 September 1944.

d. JCS 1118, dated 20 October 1944.

(17) e. Staff Memorandum No. 130, SHAEF "Relationship between Supreme Headquarters Allied Expeditionary Force and the United States and British Elements of the Control Commission/Council for Germany", dated 5 December 1944.

f. Letter, Headquarters, European Theater of Operations, U.S. Army, GCT/312.1-4/PHP, subject, "US Organization and Planning for Occupation of GERMANY", dated 16 December 1944.

2. General Requirements of Plans. All plans prepared by Divisions and other agencies of the US Group CC should:

a. Be sufficiently flexible to meet various contingencies which may exist with reference to the German central administrative structures at the time of surrender or defeat.

7 b. Give full consideration to the system of military government and administration which will have been established by the occupation forces before tripartite control begins.

1 c. Provide for the possibility that SHAEF may be terminated before tripartite control is established.

1 d. Be sufficiently complete to permit immediate and full implementation in the U.S. Zone of Occupation, even though tripartite agreement on policies involved has not been reached.

3. Flexibility to Meet Various Contingencies. a. The various contingencies which may exist with reference to German central administrative structures at the time of surrender or collapse and which plans of the US Group CC must be prepared to meet flexibly, are outlined in reference 1 b.

b. Surrender or collapse may result from an orderly

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RG 331  
 Entry 40(SHAEF)  
 File Post Hostilities  
 Box 274

# SECRET

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capitulation, a gradual disintegration of German resistance, or a complete collapse following a fighting advance into central Germany. Conditions may vary from a situation in which the German Ministries and other central agencies are sufficiently intact and stable to be effectively utilized, to the extent desired, to a situation in which there is no recognizable central authority, with the Ministries and other central agencies so completely scattered and disrupted as to be totally ineffective instruments of control.

c. In addition to the almost certain disruptive effects of military operations and occupation, the following must be considered in determining the extent to which the German central administrative structures can or should be utilized:

- (1) US policy requiring purge of Nazi personnel. (Reference 1 c.)
- (2) US policy requiring that military administration be "directed toward the promotion of the decentralization of the political structure of Germany" (reference 1 c).
- (3) The possibility of delays in reaching tripartite agreement on policy matters, particularly in so far as they may require implementation through German Ministries or other central agencies.

d. Appropriate plans of the US Group CC should include provisions for the following:

- (1) If an acceptable German Ministry or central agency is in existence at the time of surrender or collapse, whether and to what extent it will be utilized.
- (2) If an acceptable German Ministry or central agency is not in existence at the time of surrender or collapse, whether and to what extent:
  - (a) It will be reconstituted, or
  - (b) A new agency will be created to replace it.

In addition, each appropriate plan will definitely and clearly provide for the contingency that the Ministry or central agency will not be in existence at the time of surrender or collapse, or if in existence, will not be utilized for a considerable period thereafter. (Paragraph 1, Appendix, reference 1 b).

4. Consideration of SHAEF Pattern. a. The initial pattern of administration of military government and demilitarization will probably be definitely set in Germany before tripartite control is established. Control will be exercised initially at all levels, including the Greater Berlin Area, by the Commanders-in-Chief in their respective theaters of operation without regard to final Zones of Occupation.

b. Control within the SHAEF theater of operation will

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Authority	NND760219
By	WSP
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RG 331  
 Entry 40(SHAEF)  
 File Post Hostilities  
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be exercised initially by Army Group commanders in accordance with plan "ECLIPSE" and SHAEF directives. As soon as conditions permit, Military District and BERLIN District commands will be organized for this purpose. Initial control of the German Ministries and other central agencies will be accomplished by combined US/UK Advanced Ministerial Control groups under SCAEF, working in conjunction with such Soviet representatives as may be available.

c. It is important that the transition from control by SCAEF to control by tripartite authority be accomplished with a minimum of disturbance and confusion. In this connection, the Supreme Commander AEF has issued instructions substantially as follows (reference 1 e):

- (1) Throughout planning it must be constantly borne in mind that the policy and organization initiated during the period of responsibility of the Supreme Commander must fit into the pattern of the long term policies and organization being worked out by the British and United States elements of the Control Commission/Council in accordance with the established policies of the three Powers.
- (2) The British and US elements of the Control Commission/Council will advise SHAEF regarding the composition and organization of the machinery for the control in the Supreme Commander's area of responsibility in Germany and on the measures to be taken to implement established policies.

d. The Commanding General, US Forces, E.T.O. has issued instructions to the effect that detailed planning for the US Zone of Occupation in Germany following termination of the combined command, which is the responsibility of the US element of SHAEF, will be coordinated with the US Group CC (reference 1 f).

e. From the US Group CC point of view, the policy will be to continue military government and administration in the US Zone in accordance with the pattern set during the SHAEF period, with such changes as may be required by policies agreed to on a tripartite basis or, in lieu thereof, by US policies as set forth in JCS or other approved US documents.

5. Possible Termination of SHAEF before Tripartite Control is Established. a. Reference 1 d, directs that planning provide for the possibility that the combined command (SHAEF) will be terminated prior to the establishment of the tripartite Control Council. In this event, it is contemplated that:

- (1) The US and British Zones of Occupation (including assigned parts of the Greater Berlin Area) will be controlled by the respective US and British commanders;
- (2) The respective US and UK elements of the Control Council will function as coordinating agencies on matters requiring such action, in addition to their functions as implementing agencies under their own commander.

b. Provisions for this contingency should require no material change in planning by the US Group CC. The Group must,

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RG 331  
Entry 40(SHAEF)  
File Post Hostilities  
Box 274

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however, instead of operating as a part of combined Ministerial Control Groups (paragraph 4 b, above) under SCAEF, be prepared to operate separately under the US Commander, coordinating its actions with the British and (if and when available) the Russian element of the Control Council/Commission.

6. Completeness and Development of Plans. a. In view of the fact that tripartite agreement on particular policies may not be reached for some time, even after American forces have occupied the U.S. Zone in Germany, it is particularly important that adequate provision be made in the plans of the US Group CC for that contingency. These plans must serve as a basis for the detailed planning referred in paragraph 4 d, above, and be capable of full and immediate application in the U.S. Zone. In no case will they be left incomplete awaiting tripartite agreement on policy.

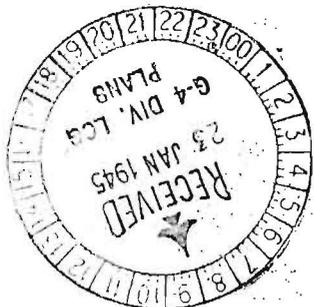
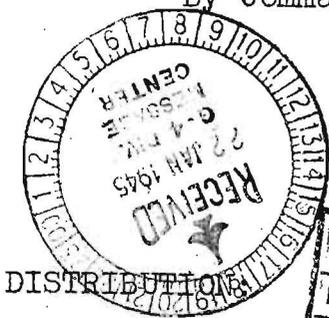
b. In accordance with the general policy set forth in a, above, Division Plans (Annexes) for the tripartite occupation and control of Germany should be developed as follows:

- (1) If tripartite agreement has been reached on a particular policy, the plan will be based on that policy.
- (2) In the absence of a tripartite agreement on a particular policy, full consideration will be given to U.S. views pending before E.A.C. (See paragraph 17, Basic Group Plan). Careful consideration will be given also to SHAEF plans and directives, in accordance with paragraph 4, above.
- (3) If and when tripartite agreement has been reached on a particular policy the plan will be modified accordingly.

7. Incorporation in Basic Group Plan. The above instructions will be incorporated for far as applicable in the next revision of the Basic Group Plan.

By command of Brigadier General WICKERSHAM:

*James L. Williams*  
JAMES L. WILLIAMS  
Lt. Colonel, AGD  
Adjutant General



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 Authority NND760219  
 By WSD NARA Date 2/10/98

RG 331  
 Entry 54 (SHAFF)  
 File Dept Record AGO  
 Box 147

9965/ 91

14. Some spectacular treasure trove fell into the hands of the Third Army in May and June. At the Reichsbankstelle in Regensburg 552 large bank bags of securities were found. Just before the occupation they had been sent there for safe-keeping by the Wertpapiersammelbanken in Munich and Vienna, and records of the ownership of the contents were said to be respectively in those cities. The Munich shipment consisted of 241 bags of domestic securities such as Reich Treasury Bonds, railroad bonds, etc. The Vienna shipment of 311 bags, when spot-checked, disclosed securities of Skoda Works, Konigshaven Cement, etc. All 552 bags were left in the vaults of the Regensburg Reichsbank, and with them were left thirty bars of gold supposed to belong to the Berlin Reichsbank, some other gold and silver, and valuables believed to be Gestapo loot out of Czecho-Slovakia. Later the bullion and valuables were delivered to the Currency Section for Germany at Frankfurt.

15. Following tips of a Wehrmacht captain and an officer of the Schutzpolizei, Major Perera discovered two caches of gold and foreign currency buried at the top of a mountain southwest of Walchnsee ( D-6994 ). These finds seemed to be parts of a larger cache from which the Seventh U. S. Army had removed eleven tons of gold earlier in June. Among the items unearthed were seventy-two bags of foreign currency, four boxes and two bags of gold bars and coins, and six boxes of Danish currency. This treasure had been sent into Bavaria by the Berlin Reichsbank shortly before V-E Day. It was reported that Hitler had advised against placing the hoard in Bavaria because he feared that it might be used to finance a separatist movement, and that he gave way only when the Russians were very near Berlin. Preparations were made for the transfer of the gold and currency to Frankfurt.

316789

DECLASSIFIED  
 Authority NND760219  
 By WSP NARA Date 2/10/98

RG 331  
 Entry 54 (SHAFF)  
 File Dept Record AGO  
 Box 147

316790

9965/ 92

#### XVI MONUMENTS, FINE ARTS, and ARCHIVES

1. With the final opening of all Bavaria and of Oberdonau ( the part south of the Danube ) and Salzburg in Austria at V-E Day, it became a question whether the survey and protection of damaged artistic monuments or the detection of the masses of Nazi loot in the region should be the first business of Monuments Officers. The combined tasks were too heavy for Captain Robert K. Posey and Pfc Lincoln Kurstein, and in June they were temporarily reinforced at Headquarters G-5 by Lieutenant George L. Stout, USNR, Lieutenant Thomas C. Howe, USNR, and 2nd Lieutenant Frederick Shrady, AUS.

2. Captain Posey's survey of war damage began in Wurzburg as soon as the city surrendered and took him far into Bavaria before V-E Day. In large cities where bombing had been severe, investigation at first had to be limited to the very most important monuments, and even by the end of June, when reports from Monuments Officers with "E" and "F" Detachments began to come in, nothing like an exhaustive analysis of bomb and battle damage in Bavaria was possible. Munich, with its 24,000 buildings levelled or ruined beyond profitable repair, and Nuremberg, in no better case, suffered both absolutely and comparatively far worse than any other city except a few small towns like Neumarkt, which SS troops chose to defend to the death. Yet Munich's Rathaus and many famous buildings within a mile radius of it were restorable, and the Cathedral in Nuremberg was not beyond at least partial restoration.

3. In Bayreuth the damage, which was largely due to the obstinate yet weak defense there, was worst at the Rathaus, where both wings were gutted. The Eremitage, the Altes Schloss, the Sonnentempel, and the Nazi educational shrine, the Haus der Deutschen Erziehung, were all severely battered by shell-fire, and Wagner's house, "Wahnfried", suffered a bomb hit on its

DECLASSIFIED  
 Authority NND760219  
 By WSD NARA Date 2/10/98

RG 331  
 Entry 54 (SHAFF)  
 File Dept Record AGO  
 Box 147

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9965/ 93

music room. Removal of the Steinway piano that was a gift to Richard Wagner was the first order issued by Military Government in Bayreuth. By the caprice of the battle, the Opernhaus escaped all harm, and thanks, probably, to careful bombing, the Wagner Festspielhaus was also immune.

4. In the March 1945 raids Würzburg suffered heavily, in part because the city had never before been raided and had neglected ordinary precautions. The Mainfranken Museum was destroyed, the Festung Marienburg destroyed, and the interior of the Neuminster Kirche suffered severely. When Captain Pesey inspected the still smoking Cathedral and the Residenz on 3 May, it was obvious that both could be restored only at great expense. He ordered all German ammunition cleared from the Residence and had both buildings put 'Off Limits'.

5. Regensburg's languid resistance and early surrender to the American assault made damage there light. The Cathedral escaped with nothing worse than concussion damage, and the Alte Kapelle suffered only one direct shell-hit, which fortunately was in a transept. The adjoining cloister was demolished, and the Fürstlich Thurn and Taxis Residenz was holed by several shells but continued to serve as an administrative building. Most smaller Bavarian cities suffered less than Regensburg, where the worst artistic damage was perhaps done in the demolition of the bridges over the Danube and the Regen by the retreating Nazis. Damage in Augsburg was on a scale comparable with Regensburg. Ansbach was even more fortunate, for its famous rococo Residenz and its principal churches were unscathed. Bamberg also saved itself by prompt surrender, and the only war damage of artistic significance there was from concussion, which shook the Gangolfskirche and Liebfrauenkirche.

6. Most of the great Schlosser throughout the Bavarian countryside escaped war damage, for few of them were defended. Here and there the Wehrmacht made a stand for sentimental reasons, as the SS men had at Goring's seat in Neuhaus. Similar conduct at Schloss Wassendorf on 5 April led to the destruction

DECLASSIFIED  
 Authority NND760 219  
 By WSD NARA Date 2/10/98

RG 331  
 Entry 54 (SHAEF)  
 File Dept Record AGO  
 Box 147

310792

9965/ 94

both the castle and the Bavarian State Archives that were there for safe-keeping. The outcome may not have been unwelcome to the defenders, for many records of far less political and historic importance than the Bavarian archives were destroyed by the Nazis. At Schloss Cadolzburg, where the Germans held out until the walls had been cracked by several shell-hits, the Burgermeister reported that after evacuation, about 16 April, a German officer "forced his way into the Schloss at gun-point, and after saturating pamphlets, books, and manuscripts and costumes 400 years old with benzine, set fire to the rooms."

7. In the main body of Bavarian castles and country seats, which escaped all war damage, Arts and Monuments Officers very often found depots - legitimate and illegitimate - of paintings, books, and archives. Typical cases were Schloss Pommersfelden, where many exhibits from the Walraf-Richartz Museum in Cologne and the library of the University of Erlangen were in the custody of the curator of the Museum, and Schloss Benz on its height above the White Main near Kumbach, where parts of the State Library at Berlin were hidden together with a number of paintings from Nuremberg and Coburg. A probably illegitimate depot was that of thirteen Dutch paintings by the Reichscommissar Seys-Inquardt in Festung Marienbad in Warzburg. Large legitimate deposits from the Munich museums were found in the Befreiungshalle at Kelheim, at Schloss Hohenburg, at Landshut, and in the caves at Pottenstein. In Schloss Kogl at St. Georgen bei Affersee, were found a considerable number of French paintings, drawings, books, sculpture, rugs and furniture deposited there by the Rosenberg organization. In charge of them was Robert Scholts, editor of the official NSDAP monthly, "Kunst in Deutschen Reich". He made his inventory available and prepared an extensive statement on his relations

Captain  
 Posey's  
 Semi-  
 Monthly  
 Report  
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 May, p. 1.

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By <u>WSD</u> NARA Date <u>2/10/98</u>

RG 331  
 Entry 54 (SHAFF)  
 Filed Dept Record AGO  
 Box 147

316793

9965/ 95

with the Rosenberg organization, for Captain Posey's benefit.

8. The overshadowing business of May and June in the multiple problem of retrieving works of art from all over Europe which the Nazis had hidden in the Berchtesgaden region was, of course, the clearance of the salt mines at Alt Aussee. The much publicized facts there - the extent and incalculable value of the collections and the measures taken by the Nazis for their destruction - were not misrepresented by the world press. On 18 May, when a crawling passage was first opened through the demolition blocks, all the chambers were visited. By 27 May the first block had been cleared, all doors were repaired and the electric lighting system restored in all chambers. Thereafter, the work of removal of the deposits to the Fuhrerbau and the Verwaltungsbau in Munich was an engineering job. Together with the restoration of the legitimate deposits of the Austrians in the mines at Lauffen to their proper places in Vienna, this engineering and transporting job continued throughout the next six weeks.

9. From Karl Kress, Einsatzstab Rosenberg photographer, who as a former sergeant in the Luftwaffe was held as a war prisoner, and from two other Rosenberg agents at the Alt Aussee mine, as well as from the physical evidence there, came the story of the uncertainty of the Nazis as to whether or not to destroy their fabulous loot. The paintings found in the dynamite magazine, outside the barriers, had been carried far below into a secret cavern and later returned to the main level. The Czernin Vermeer had been involved in this erratic movement, but had been replaced in the Mineralkammer before the explosion of the adjacent gallery block. Fortunately, the only injury of importance to any of the pieces involved in these movements was a break of the joint of the St. John panel of the Ghent Altar.

DECLASSIFIED  
 Authority NND760219  
 By WSD NARA Date 2/10/00

RG 331  
 Entry 54 (SHAEP)  
 File Dept Record AGO  
 Box 147

316794

9965/ 96

**XVII MOVEMENTS of the HISTORIAN in MAY and JUNE 1945.**

**May**

- 10 Taking his turn in patrolling roads in the Army area for the Provost Marshal, the Historian incidentally visited Detachment F1D3 at Regensburg and E1B3 at Nuremberg.
- 14 Historian visited the Forward Echelon of TUSA, G-5, at Regensburg and arranged for the transcription of all G-5 citations in the G-1 files and for the reproduction of all photographs pertaining to CA/MG activity in the files of the 166th Photo Company.
- 15 Historian visited H3B3 in Erlangen.
- 16 Accompanying Major Gresh and Lt. Burrows of SHAEP, G-5,  
 17 the Historian visited E1B3 in Nuremberg, XII Corps Hq at Grafenau, 65th Inf Div Hq and G113 in Linz, as well as the Konzentrationslager of Mauthausen and Gusen.
- 18 Historian returned from Linz to Army Hq at Erlangen, stopping en route in Straubing for lunch with H3D3.
- 24 Taking his turn in patrolling roads in the Army area for the Provost Marshal, the Historian incidentally visited I7E3 in Ingolstadt, the 9th Inf Div Hq and Displaced Persons Camp nearby, H7B3 in Weissenburg, and F2A3 in Ansbach.
- 25 Historian briefed Major Mraochek of H2D3, then in Parsberg, on his duties as a detachment Historical Officer.
- 26 Historian visited I12B3 in Hersbruck, V-2 in Pilsen, and V-7 in Mies, Czecho-Slovakia.
- 27 Historian visited I3B3 in Furth, the Nuremberg suburb, and the Goring retreat, Schloss Veldenstein, at Heubaus.

**Jun**

- 2 Historian, accompanied by Pfc Lincoln Kurstein, visited I3B3 in Furth to deliver legal posters, and examined the Julius Streicher library at Fleischerhof.
- 3 Historian, accompanied by Lt. Col. Omar Hopkins, Major Henry Shinkin, and Pfc Kurstein, visited E1B3 in Nuremberg and examined the library at the publishing office of Der Sturmer.
- 6 Historian visited Displaced Persons Detachment #4 and H1B3 in Bamberg, and attended a party given by Lt. Col. Richman, C. G. of DP #4.
- 7 Historian received S/Sgt Luedox of Major Dayton's staff, from the office of the Tactical Historian, TUSA, Forward Echelon.

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 Authority NND760219  
 By WSP NARA Date 2/10/98

RG 331  
 Entry 54 (SHAEF)  
 File Dept Record AGO  
 Box 147

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9965/ 97

## June

- 8 Historian, accompanied by Lt. Col. Hopkins, Major Shimkin, and Pfc Kurstein, visited H3H2 at Lichtenstein and examined the Alfred Rosenberg library of Weltanschauliche Erziehung in Schloss Lichtenstein. Returning to Erlangen, the party visited H3B3 in Kulmbach and I1B3 in Bayreuth.
- 9 At the request of the AG of S, G-5, XII Corps, the Historian, accompanied by Pfc Kurstein, examined the deposits of books from the Nuremberg archives and library and the radiological and metallurgical installations at Schloss Riedenburg. Incidentally, Provisional Detachment #3 ( composed of 4th Arm Div personnel ) was visited in Riedenburg.
- 12 Historian, acting as interpreter for Lt. John L. Cooper of the Legal Subsection of Hq, TUSA, G-5, interviewed Herr Herrig, recently removed Rektor of the University of Erlangen, and prepared a report on his fitness to continue to perform certain of his administrative duties with the title of Sub-Rektor.
- 15 Historian, accompanied by Pfc Kurstein, visited I2B3 in Coburg, H4B3 in Kulmbach, Tambach Schloss near Kulmbach ( where a number of works of art from Silesia as well as from neighboring private collections were deposited ), and Schloss Plassenburg near Kulmbach, where a large SS library was in process of removal to the local Sparkasse.
- 18 Taking advantage of the move of the Rear Echelon of TUSA from Erlangen to Munich, the Historian accompanied Lt. Col. Paul Hamilton, Executive Officer, and Lt. Col. A. B. Pattou, Chief of the Relief Supply Branch of Army Hq, G-5, to visit E1B3 in Ansbach, H7B3 in Weissenberg, and F1H3 in Augsburg.
- 21 Historian, accompanied by Pfc Kurstein, visited I7E2 in Weilheim and examined the books of the Goebbels propaganda library from the Propaganda Leitung in Munich in the Hochschloss at Pful, the residence of Count Spr. Vi.
- 30 Historian accompanied Lt. Col. Milton C. Richman to visit Displaced Persons Detachment #122 in Garmisch-Partenkirchen and Army transportation officers in Innsbruck with reference to Italian repatriation.

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BOX

RG 331  
 Entry (6) SHAEF  
 File 000.5 War Crimes  
 Box 1

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20 April 1945

SUBJECT: Gold bullion, currency and other property discovered by Third Army near MERKERS.

TO : The Secretaries,  
 Combined Chiefs of Staff Committee.

1. Attached hereto are two copies of a preliminary inventory of gold bullion, currency and miscellaneous property discovered by Third Army near Merkers and now in the vaults of the Reichsbank at Frankfurt. This inventory is based on information listed on Reichsbank tags attached to sealed bags, boxes and other parcels.

2. A detailed count of the funds listed herein is now being made by officers of G-5 of this command. It would be of great assistance if the Treasury Department would send two expert weighers of gold bars and an expert who could study the assay certificates which are in our possession and other records with a view to identification of the gold bars. The services of these experts would be needed for only a few weeks. It would be helpful to us if the weighers could bring sufficient canvas bags, seals and tags to retag the bars and coins.

3. Included in this inventory is a large quantity of material which it is evident belonged to the SS of the Gestapo. Evidence indicates that this part of the treasure represents loot taken from individuals who have been murdered, as it includes thousands of gold and silver dental crowns, bridges and plates and some personal articles. It may, therefore, constitute items of evidence, and should be considered in that light. It is believed that agencies engaged in the determination of evidence for the prosecution of war criminals should be informed, and at the proper time should be permitted to inspect and investigate this part of the property.

For the Supreme Commander:

W. B. SMITH,  
 Lieutenant General, U.S. Army,  
 Chief of Staff

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T O P S E C R E T  
P R I O R I T Y

FROM : AGWAR FROM THE JOINT CHIEFS OF STAFF  
TO : SHAEF FWD TO EISENHOWER (RELAYED TO SHAEF MAIN)  
REF NO : W-85918 22 May 1945

Letter of 20 April 1945 from SCAEF concerns treasure uncovered by Third Army near MERKERS and now in vaults at FRANKFURT.

Included in inventory is a large quantity of apparent loot taken from murdered individuals, such as thousands of gold and silver dental crowns, bridges and plates and some personal articles. These may constitute items of evidence of war crimes.

Suggest advising War Crimes Branch in office of your Judge Advocate as SCAEF indicates he will permit inspection of such property at proper time.

ACTION : G-1  
INFORMATION : SGS  
G-2  
G-5  
MR. MURPHY  
MR. STEELE  
COM ZONE  
SUSPENSE  
AG RECORDS

*G-1 Action*  
*000.5 Letter Ad 21 May*  
*to Etouca*  
*(JAB Division)*  
*951*  
*22/5*

FILE NO. 5  
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Authority NND 760210By JW NARA Date 2-7-00

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prohibition in the United States may develop, with fraternization driven underground. If the non-fraternization order is flaunted, the result may likely be lessened respect for other rules and regulations, with a consequent deterioration in morale, discipline and in the effectiveness of the Army as a policing and occupying force.

g. The nature and scope of the problem suggest that a solution will not be found in the publication of any one booklet. It would seem that the non-fraternization order will either have to be revoked, or the problem must be met with a full scale educational offensive, designed to sharpen in a few months the political and social and historical perspectives blunted by 25 years of misinformation, cynicism and confusion. It must be met with every tool and weapon the Army possesses - a total mobilization of all those factors which influence the thought and actions of officers and enlisted men. A sound, practical, realistic pattern of non-fraternization must be set by the Army itself and particularly by officers. The order, moreover, will need to be supported by adequate policing and penalties.

h. Inasmuch as fraternization between Americans and Germans can be conducted on a clandestine basis, the effectiveness of policing and penalties seems dubious. The main reliance of the Army in administering the non-fraternization order and in assuring some degree of success will be by reaching the minds of officers and men and presenting the facts about the problem through all available informational channels.

4. It would be impossible to incorporate in this report all the examples of fraternization noted during the time, brief as it was, spent by the writer in Germany; not to include other fraternization episodes reported by others. A few examples, however, may suffice to indicate the strange and difficult nature of the problem in terms of specific experience.

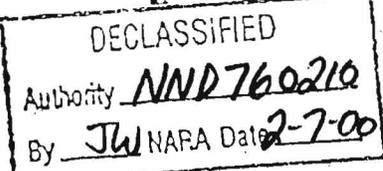
a. Generosity toward all civilians -- As Private Arthur Goodwin, I crossed the German border on route from the 3rd Replacement Depot to the 92nd Replacement Battalion, at that time quartered in a wood just inside the Siegfried Line. In the earlier stages of my experience as a replacement I had driven across France from Transit Area No. 2, on Omaha Beach, through the various depots and into the 3rd Replacement Depot in Belgium. All across France and Belgium the soldiers were generous with their cigarettes, candy and other supplies, tossing them in considerable quantities to civilians and swapping cans of C rations for apples, wine and other favors. Toward the latter part of the journey supplies ran low. Nevertheless the habit proved difficult to break and many of the men continued to throw candy, cigarettes, packages of lemonade powder, bouillon and other items from their ration boxes to German civilians after we had left Eupen en route to Aachen. Some Germans exchanged smiles and V signs with our troops.

b. Incident at cross roads -- At one cross roads two German children were playing. They had punched a hole through a large piece of cardboard. Through it they had thrust a broom stick, creating a home-made toy anti-tank gun. As our truck went by, the little German boys aimed it at us and shouted "boom". A few of the soldiers who noticed this, laughed. Life savers, charms and chewing gum were thrown to the German children.

c. Comment of troops about Germans -- A number of troops outside Aachen were billeted in German homes or lived in fields surrounding German farms. The essential kindness of the American soldier was in evidence. Soldiers helped German housewives with their chores, played with the children and through other small acts of friendship made living more tolerable through the creation of a friendly atmosphere. Conversation with some of these soldiers evoked such comments as: "These Germans aren't bad people. We get along with them okay. All you've got to do is treat them good and you have no trouble." 8 1144

Another statement was: "These people here aren't Nazis, they're glad to see us."

"These people aren't real Germans - they're Catholics. This part of Germany is all Catholic. They're good people and don't have any of this Nazi feeling toward us."



BOX

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3.

"Hell, those people are cleaner and a damn sight friendlier than the frogs, ~~and they're our kind of people.~~ They're our kind of people. We don't have any trouble getting along with them and they like us first rate."

Another soldier said: "Why tell us not to treat these people decently? Back home they give German prisoners all the cigarettes and ice cream they want. If the Government does it why shouldn't we do it? It makes things easier for us."

Another soldier said: "The frogs gyp the pants off you. Everything they sell you costs four or five times what it should. The Germans aren't that way - half the time they give you stuff for free. They're not out for the dough like the French."

Another soldier said: "If our generals can drink cognac with them Nazi generals, I guess it's okay for us to be friends with these housewives."

NOTE: None of the observations noted in this report is offered as criticism of the officers and men of units fighting in or around Aachen. It is my belief that they were too deeply engaged in fighting the war to pay much attention to the details noted before and below. "Details" they are, quite beyond the control of a divisional commander. They emerge from the humane attitudes and impulses of many individuals which, added together and multiplied throughout the Army, in part create the problem and suggest the difficulty of dealing with it.

d. Incident in Aachen -- There were a few civilians left in Aachen. About 20 or 30 of them, however, remained in a small air raid shelter a few hundred yards from the front and in a section of town still under fire. Among them were 5 German soldiers - Medical Corps men, two of them members of a special Nazi police unit. Five officers and myself entered this shelter to determine the advisability of moving the civilians to Lutzow barracks in Brand.

The American officers were all combat veterans. They had fought the Germans in North Africa, Sicily and throughout the Normandy and Siegfried campaigns. They had lost many of their friends to German arms. Their fighting ability and combativeness rated among the highest in the Army. A few days earlier the lieutenant representing the colonel had walked blind-folded into Aachen to deliver an unconditional surrender demand to the German commanding officer. The interpreter had accompanied. The mission - a dangerous one - further showed the superb quality of these officers. Their loyalty, courage and intelligence were of a very special order.

The lieutenant asked whether there was enough food. The German nurse in charge said there was. The officer asked: "Are you sure?" The nurse said: "We could always use a little more." The officer said: "We will send you more food."

The question arose as to the transportation needed to move the civilians from Aachen up the road 2 miles to Brand. The nurse said: "One truck would take us all." The officer asked: "Have you baggage?" The nurse said: "Yes, a little." The officer said: "Well we'd better lay on 2 trucks and take them up comfortably."

There was also a question as to what disposition should be made of the 5 German medics. It was finally decided that they were no longer needed in the shelter and that they should be taken prisoner. The interpreter patted the German soldiers on the back and said: "Better pack your stuff and come along with us, friends. The war is over for you."

There was a pretty young girl in the shelter. The Americans jollied her. One of them tried to make a date. The girl smiled and flirted. One of the lieutenants asked whether she was married. She said: "No, but I have a man." The lieutenant asked her whether it made any difference. She shrugged her shoulders and laughed.

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 By JW NARA Date 2-7-00

BOX

RG 331  
 Entry (6) SHAEF  
 File 250.1-1 Conduct Allies  
 Box 12

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Two American enlisted men listened to the banter and laughed. One of them, an aid man who spoke German, started a flirtation of his own. As each of the 5 Germans filed out the girl shook hands with him and said good-bye.

e. Lutzow Barracks - Interviews with officers -- I visited the camp set up for civilians in Lutzow Barracks in Brand - a suburb of Aachen. Two G-5 teams were operating in this area. One of these officers said that in his opinion there would be complete fraternization in Germany 30 days after our troops settled down there. It might be stopped, he thought, if offenders were sentenced to 15 years in Leavenworth prison.

He stated that it was his impression that the Germans he had met would shine your shoes or do any other menial job you asked them to; that they are Germans who, 20 years from now, will follow another new leader who tells them what to do. He stated that half the Germans in the establishment claimed to be not Germans but Poles; that the American Army is fraternizing on a wholesale scale right now; that the greatest fraternization in the history of the world would soon take place; that not one court martial has thus far occurred, and that every general and colonel in the area knows about it.

There was another side to the picture, however, he stated. "If we abuse the Germans we will be the same as the Germans. We will have an underground against us. We cannot abuse people - abuse isn't the American way. I believe in good old Americanism; it is the American way to be kind to people. We don't want to practise the same tyranny as the Nazi regime.

He also stated that our Army is sprinkled with Germans and we cannot tell these German-American boys not to fraternize with their own kind.

f. Further interviews at Lutzow Barracks -- It was stated by another G-5 officer who joined the conversation that we can gain better cooperation from the Germans if we are friendly toward them. "If you take a belligerent attitude toward them," he said, "They won't do as much for you." This officer also stated: "We don't hate the Germans, We hate the Japs. Germans are in a different category. We believe in treating them like human beings and getting on with the job."

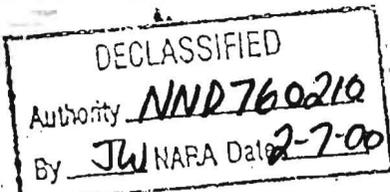
It was stated that the British Civil Affairs people take good care of the Nazis. "The British are smart," this officer said. "They are fixing things up for good business with the Germans after the war. This talk about our not fraternizing is British propaganda.

g. Observations in Lutzow Barracks -- After talking with these officers I walked through the barracks. I had first heard about Lutzow Barracks as a replacement in the 92nd Replacement Battalion. There was much talk about a German Army barracks three kilometers from Aachen, big enough to hold 2 infantry regiments and an ideal place for replacements during the winter months. Troops from the 92nd Replacement Battalion had been sent down to clean it out for this purpose. After one building had been cleaned, permission for the Replacement System to take the barracks had been rescinded. Instead the buildings had been turned over to German civilians. Feeling among the cadre, who, together with the replacements, were living in mud and rain, was rather bitter. No one could understand why German civilians were being given preferential treatment - why they should sleep in dry buildings while replacements and casuals just out of hospitals were sleeping under pup tents in the mud.

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While I was at Lutzow Barracks, trucks came up from Aachen filled with Germans. These trucks, unlike those in which I and other replacements had driven all across France and Belgium, drenched with rain, had canvas covers on them to keep the passengers dry. Soldiers lifted the passengers to the ground - many able-bodied German men were assisted to the ground in the arms of American soldiers.

One of the buildings had been severely damaged by artillery fire. The others were in good shape - dry and relatively clean. Many of the civilians were in the ~~underground~~ shelters. These shelters were without light



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Entry <u>(6) SHAEF</u>
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but were relatively comfortable and safe. The upper stories were also inhabited by families. There were very few conveniences. Running water was not available. But people were setting up housekeeping with whatever furniture was available. There were several small kitchens throughout the barracks. Many men and women were preparing soup and other food family style, using wood for fuel.

The land around the barracks was under cultivation. A supply of vegetables was available. In the main kitchen of one of the barracks about 20 women were cleaning carrots, potatoes and cabbages. There were several large cooking vats in this kitchen. These, I was told, were electric cookers and could not be used until electricity was restored. Two other vats had therefore been brought in and fires were lit under them to cook with. Army transportation had been used to transport these huge cookers.

The kitchen was run by a U.S. Army captain. He seemed a good-natured man who had been given a job and was intent on doing it well. He stated: "We've gotten 20 tons of American supplies already. We have milk, canned meats, and chocolate for nursing mothers. There are also dried peas and beans here, and we have coffee. We brought in those two big cookers to cook soup and meat for them. These are not typical Germans. They're swell folks and we sure do get along well together. In fact I never even wear my side arms. I haven't put them on from the first day. I'd go anywhere with these people unarmed. They are really wonderful people. They mop and mop the floor. They're clean and orderly. They just live to work - even cleaning carrots is fun for them. They are much better people than the French and Russians. We've got some Russians here - they don't even know what the urinals are for. They back right into them like pigs. These Germans are fine, good people and they can't do enough for us."

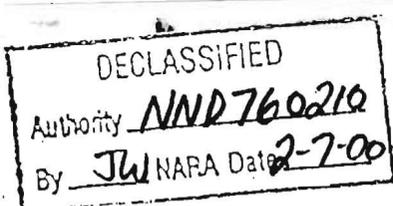
A lieutenant, also a member of one of the G-5 teams, said: "These people are being wonderful and helping us in any way they can."

h. Interview with German civilian at Lutzow Barracks -- I spoke to one of the German civilian leaders of one of the buildings. He stated that he assisted the authorities in running the buildings. He said: "Conditions are difficult for us here, but Americans are carrying out much good for us. There are more than 1100 people here. We have American food and drink water. Our pipes here are broken, but we are waiting for your engineers to fix them up. Then we will have plenty of water too. We have one American and two German doctors. Today we have coffee, cakes, stew. We have our own vegetables - cabbages and potatoes. We are cooking the food in the kitchen ourselves, with the help of your soldiers. We haven't many beds but we have plenty of German Army blankets. These people here are not Nazis. We are just Germans and we will be glad when this war is finished."

i. Why Lutzow was not given to replacements -- I asked one of the American officers why these barracks were being used by the Germans after replacement depot personnel had begun the work of cleaning them for occupation by American troops. The reason given was that the barracks had been used for a while as a regimental CP and had been badly damaged by shell fire; that German civilians were moving back and forth between the lines; that the German Army knew when the barracks were being used by American troops. Their tenancy by American troops, it was stated, resulted in shell fire. Now the German authorities knew that civilians were occupying the premises, and there had been no shell fire for two days.

j. Arsenal at Lutzow -- In the cellar of one of the barracks was an arsenal filled with grenades, light weapons, mines and other material. The door was unlocked. German men and women had free access to it.

k. Experienced in a German beerstube -- The suburb of Brand was not badly damaged. I knocked on the door of one of the cafe restaurants - the Restaurant zur Linde. There was no answer. A German civilian came along. He smiled and suggested that I try the back door. I did so. After knocking briefly the door was opened. I asked if there was any beer. The man said: "Yes. Come in." I entered. His wife and 2 children were sitting in the kitchen eating their dinner by the light of a candle. He took me into the bar and drew me a glass of beer. The place was dark except for a candle on the bar. It was a typical beer stube - gemütlich despite boarded up windows and darkness. The beer was cold and good.



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The proprietor said he was glad the Americans were there. "I am sorry Aachen must be destroyed, but I am glad Hitler will soon be through. I never was a Nazi," he said. "Prices were too high and rationing was very severe on meat and cigarettes. We had only 3 cigarettes a day. I like your cigarettes better anyway." He offered me a cigarette from a pack of Camels he drew from his pocket. "Where did you get the cigarettes?" I asked. "Oh, American soldiers gladly give cigarettes for beer."

He asked questions about America and said he would like to go there when the war is over. "I have an aunt in Chicago," he said, "I would like to go there with my wife and children. We have had enough of this life here."

I asked how much I owed him for the beer, "Nothing," he said. "You must pay for your beer, mustn't you?" I asked. "No," he said, "This beer comes from the brewery in Aachen which is now destroyed. I therefore need not pay for it. Until the beer is used up I am giving it free to the Americans. I asked: "Do you have many Americans here?" He said: "Yes, they come and go all day."

His wife came in and said the food was getting cold on the table. "Have another beer," the man said. I said I had to go. The family shouted "Wiedersehen".

1. Interview with a Belgian officer -- In the regimental CP, where I spent that night, I met a Belgian captain assigned to the unit to assist in military government. We discussed the fraternization problem. He said: "It is 1940 all over again. In 1940 the Germans filled the roads with refugees behind our lines. We could not bring up supplies. We could not bring up our armies for fear of hurting our people. Stukas bombed and machine gunned them. There was so much confusion we lost control. Finally we had to surrender. Now the Germans are flooding the roads again. Again it is behind our lines, not theirs. We have to feed these Germans. They become our problem. We must do something to compel these people to evacuate their cities in the direction of Berlin and not in our direction. Only in that way will the problem become theirs, not ours.

"If we treat these people as well as we do, it will be more and more difficult to get them to go toward Berlin and not in our direction. This news will get out. The good way we treat the Germans will mean many more will stay behind and become our problem,

"Some, of course, will always remain. These should be placed on the charity of the surrounding communities. A levy should be made on the burgomeisters of surrounding towns for sufficient food. German economy should be used to pay for it. Perhaps we must help them the first day. But after that the German community should feed the Germans.

"The same things that make you Americans an apathetic people in war will make you apathetic in peace. You have not had personal experience in suffering under the Nazi heel. You will be too easy on these people. There will be war again because of it."

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m. Interview with Battalion C.O. -- In Aachen I talked with the battalion commander on the subject. This officer - a major with a brilliant combat record - said: "The average GI and officer is a friendly guy. In fact he has a tendency to be overfriendly with all people. We warned our men against the Germans - we told them not to be friendly - that these people are our enemies. But with all these warnings we still have to reprimand the men. We're short of cigarettes, yet we see all kinds of cases of men giving away cigarettes to the Germans - both civilians and prisoners of war. In no time at all the prisoners have our cigarettes and candy. The Jerries and GIs joke and talk together and become pals. We know from bitter experience that the Germans don't treat our own men that way. They are completely military and insist that their men treat ours sternly. We know that, and, in addition, we are losing friends every day, killed or wounded by the Jerries

"Yet when I see two or three thousand old and fear-crazed and

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 Authority NND 760210  
 By JW NARA Date 2-7-00

BOX  
 RG 331  
 Entry (b) SHAEF  
 File 250.1-1 Conduct Allies  
 Box 12

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feeble women and kids with all their belongings and their houses and futures all shot to hell, I can't help but feel pity. You have to check yourself. You must resist that swelling up of pity and force yourself to resist pitying them. You must remember that these people are actively or passively responsible for the system we are fighting.

"I think it's too bad these people are being put up so well in those barracks. For that matter we are completely browned off with the good treatment we hear prisoners of war are getting - they are being treated a damn sight better than we have been for the past 2 years. Don't kid yourself, Italian soldiers were damn good soldiers and killed a lot of our men when the going was good. Now they are back in the States and we can't understand why they get such good treatment - heated barracks, sight seeing trips, plenty of ice cream and swell chow. We never even see anybody to talk to and can't even sleep for a single night in peace. It isn't fair.

"The GI doesn't object to civilians being taken back to safety. We have no qualms about knocking down a city - but we do have pity for the old and weak. We don't want to see them hurt. We feel they must be given some necessities. But when it is a matter of denying the GI the things he has not had so long, we are for depriving the Germans and not the GI."

n. Interview with chaplain, Replacement Depot inside Germany --  
 The chaplain said: "I can't understand our attitude toward the Germans. These Germans come into our lines. The German men and women have American cigarettes. These cigarettes are issued to them by our Civil Affairs people. Our own GIs haven't any cigarettes. I'm all for humanity - but humanity of that sort becomes sheer stupidity.

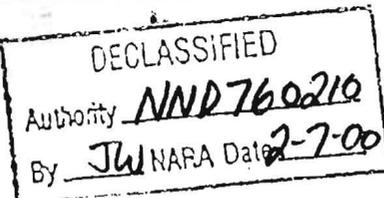
"We are just building troubles again 20 years from now. These people are taking us for a big joy ride and we are falling for it. They are even teaching their children to wave to us, and our boys cannot help waving back. Unless we can open up the Army's eyes to the crimes that are being committed officially, we cannot expect the GI to behave differently. After all he is human. He wants companionship - he's lonely, and the Germans are pastmasters at getting around men who feel that way."

## 5. CONCLUSIONS

a. The foregoing sample is not sufficient to permit a conclusive estimate of the problem. It is too easy to draw broad generalizations from these few incidents, and to forget that there are many officers and men who don't fraternize. The subject digs deeply into psychological mysteries far beyond the writer's ken. It involves the makeup of the American mind and spirit; questions of morality and humanity; determination of the thin, tenuous, obscure line between humanity and brutality; a clear, clean definition of justice; and perhaps the ultimate impossibility of determining what is right and wrong in this particular realm of human behavior.

b. The problem is confusing to officers and men alike. Even in individuals who have suffered keenly at the Germans' hands - individuals such as the Belgian captain - there is conflict between heart and mind. It is impossible even for a man such as he to be deaf to the appeal of a German child or woman. Indeed, when the German man is stripped of the trappings of war and holds out his hand in a gesture of friendship, it takes an unusual type of mind and spirit to refuse it.

c. The American soldier has known the Germans on the battlefield, and thousands have died as a result of German political thought and German military action. In the heat of battle there apparently is anger. But in subsequent phases anger cools and the attitude of the soldier toward German prisoners is often mild and even friendly. Toward civilians it tends toward the benign. It is apparently part of the American soldier's makeup to harbor little resentment. His political sense is not sharp nor sensitive. The political and historical record of the German people is not fixed in his mind. Or if it is, it is so latent and obscure as to desert him in the presence of Germans.



BOX	<u>331</u>
RG	<u>6</u>
Entry	<u>SHAEF</u>
File	<u>250.1-1 Conduct Allies</u>
Box	<u>12</u>

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d. There is still confusion in the minds of some American soldiers as to the nature of the German. Not only in its psychological aspects, but in direct matters of historical and geographical fact. Some are inclined to make excuses for the particular Germans with whom he deals. Some are inclined to accept protestations of friendship and anti-Nazism offered by a German at face value. Some believe, for example, that Germans in certain areas are different from Germans generally. Some are inclined to put heavy weight behind the visible qualities the Germans have, such as neatness and hospitality.

e. Americans feel that propaganda has once again deceived them - that conditions in France, for example, were better than advance reports had led them to believe. Atrocity reports are exaggerated, they believe, and lacking in prima facie evidence. A reaction sets in which leaves them sympathetic to the Germans.

f. Other positive factors affect the problem. The indescribable loneliness of the soldier and his hunger for companionship, particularly the companionship of women. His escapism - the desire to find refuge from a military environment and the temptation of a German beer stube or other civilian environment which offers him hospitality, friendship and beer. The mere fact that German companionship can generally be found indoors - a welcome relief from the cold, wet and mud without - is an important influence. The agreeable cleanliness and warmth of German farms and homes are factors which tempt even principled and motivated men to seek, if only temporarily, sanctuary from the misery and indignity of living and fighting through a winter campaign.

g. The opportunities for breaking the non-fraternization order are rife. In the open a degree of obedience can be achieved, but most forms of fraternization take place indoors and out of sight of the authorities. A man seeking the companionship of a girl, or a glass of beer, or the warmth of a fire, or any of the amenities to be found within a home or by a woman's side, normally finds them out of the sight and hearing of the authorities. Commercial resorts such as cafes, restaurants and beer stubes, can be conducted on a speakeasy basis and will be found and frequented by the troops.

h. Officers share the same temptations and frailties as the enlisted man. They frequently have greater opportunity to mingle with the civilian population and many are just as apt to take advantage of their opportunities as enlisted men. Failure on the part of the officers to set an example encourages fraternization by the men. Younger officers particularly - officers closest to the troops and subject to the same inner desires - are particularly prone to disregard the non-fraternization order.

i. Army authorities themselves are failing to establish an example of non-fraternization. No censorship can stifle stories that high officers indulge in a certain amount of fraternization with the commanding officers of captured German units. Lutzow Barracks could not be hidden from officers and troops in the area. Hundreds of soldiers were able to observe the considerate treatment proffered German civilians. Rumor is rife about the pampering of German prisoners of war in the United States. A soldier's feeling that the Army is indifferent to his welfare is accented by the out-of-the-way good treatment given German civilians and prisoners of war.

Other ugly rumors are becoming associated with the problem. Reference is made to the statement that the British are deliberately placating Germans with post-war commercial ambitions in mind.

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j. The Army's policy in the matter is generally regarded as lacking in realism. Officers are frankly sceptical as to the possibility of compelling obedience to the non-fraternization order. The success of some officers and men in deriving certain comforts and advantages from fraternization soon becomes common knowledge to the rest of the Army. The barter arrangements that have proved such a problem in France may soon exist to a possibly greater degree in Germany. A package of cigarettes, a pair of shoes and other supplies command possibly greater goods and services in Germany than they do in France. The probability of a vast Black Market exists and may already be well on its way. (One story tells of a group of soldiers who had a German cobbler sew strips of leather on their shoes, turning them into combat boots. The price was a few packs of cigarettes and

DECLASSIFIED  
 Authority NND 760210  
 By JW NARA Date 2-7-00

BOX  
 RG 331  
 Entry (6) SHAEF  
 File 250.1-1 Conduct Allies  
 Box 12

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k. To repeat, many of the above observations and statements rest on generalizations, and lack a sufficiently broad basis of experience and research to be accepted as definitive. Neither are they original - at best they can add but little to the greater body of experience and data in the High Command's possession. And finally, they are not offered critically. Indeed, they bespeak sympathy and understanding for the officers and men of the Army, who, until clear and forthright guidance on the subject is offered by the High Command and its various agencies, cannot obey the non-fraternization order with their customary intelligence and zeal.

## 6. RECOMMENDATIONS

These recommendations do not include such matters as the provision of adequate entertainment, recreation, off-duty education and other facilities, social and otherwise, which compensate for the absence of normal intercourse with civilians. Unless the basic human desires of the soldier are taken care of - whether it be by a system of furloughs or by any other means that the Army can devise - there can be no solution of the problem. The recommendations deal rather with certain physical and psychological aspects which form the substructure of the problem.

a. When the Army says there is to be no fraternization it must mean it. It should prove that it means it by official deed as well as by official word.

b. It seems essential that Army authorities set an example of non-fraternization to officers and troops. A definite procedure should be established covering the treatment of German prisoners of war and civilians. The Army's official attitude toward treatment of prisoners of war should be carefully stated and steps taken to ensure conformance. Present directives on this subject might be re-examined and checked with actual conditions in the field.

i) The Army's attitude toward treatment of civilians under combat conditions should be specified clearly and conformance insisted upon by all ranks. Present ~~65~~ directives might be re-examined and checked with actual conditions in the field.

ii) The Army's attitude toward treatment of civilians in rear areas should be specified and conformance insisted upon by all ranks.

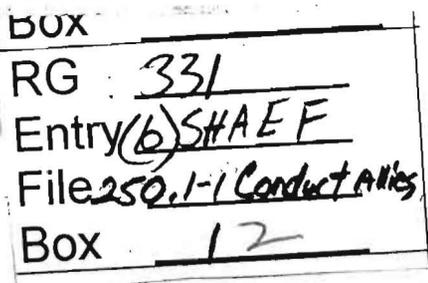
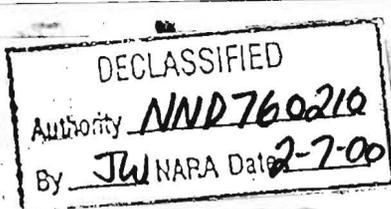
iii) The attitude of high American officials toward German officials should be carefully specified and anything remotely resembling camaraderie or fraternization avoided.

iv) The terms of the Geneva Convention should be popularized for the Army to study, to the end that individuals will not lean in the direction either of misguided brutality or humanity in their behavior toward Germans.

v) By example, by official act, by the scrupulous observance of carefully laid down rules covering the treatment of German prisoners and civilians, the Army must impress upon each officer and enlisted man a code of personal conduct toward the Germans.

c. A special program should be developed outlining the duties of commanding officers in connection with the non-fraternization problem. They should be supplied with specific instructions which they can pass on to their subordinates - instructions so practical in nature that there can be no question about their execution.

d. Junior officers should receive specially prepared instructions which they can use in presenting the order and the reasons for it to the NCOs and troops whom they command. These instructions should envisage the daily problems confronting troops in the field and offer realistic solutions. Penalties for disobedience should be clearly stated. The responsi-



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bility of officers and NCOs for conformance should be clearly stated.

e. Fraternization involves two parties - Americans and Germans. One of the surest ways to limit fraternization is to separate Americans and Germans. The degree to which they are able to mingle will determine the degree to which fraternization will go on. The problem of segregating troops from civilians may be an insuperable one. If, however, any measures can be taken that will ensure this separation becoming a total or partial fact, they will, to the extent to which they are applied, determine the success of the program. Whether it be the placing of large elements of the German population into special areas denied to troops, or the partitioning of cities so that certain areas become exclusively civilian, with others reserved for troops, or whatever other method thought and convenience suggest, such segregation should be considered and, if feasible, carried out.

f. If ever there was an order that had to be explained, the non-fraternization order is it. The problem cannot be met by the publication of a single booklet. Instead there must be marshalled every available means of informing the soldier about his obligations and duties in connection with the fraternization problem, with satisfactory and intelligent reasons for proper behavior on his part, plus specific information as to what that behavior should be. The reasons must be given not once but many times and in many forms. Every normal medium must be used - cinema, radio, newspapers and all other publications which reach the soldier. These media must be backed by special material prepared for commanding officers and non-commissioned officers at every level. The job is one of the greatest in the field of education.

g. There should be an informational campaign realistic in its approach, and in form and language which will ensure widespread understanding, respect and obedience.

A start has been made in this direction. The Information program in this theater has for many months directed all of its energies toward a solution of this problem. It has attempted to utilize every medium at its command.

The Stars and Stripes -- The Stars and Stripes has tried to meet the problem editorially, with many picture editorials on the non-fraternization theme. These editorials are shown in Exhibit A. The situation, as the writer had witnessed it at Lutzow Barracks, was described in the "Don't Get Chummy with Jerry" editorial. The purpose was to hit this problem squarely and in the bud, and to focus the Army's attention on General Eisenhower's order. Clearly it was not in character with the average Army newspaper editorial. The seriousness of the problem suggested forceful treatment. In Exhibit B is some testimony of the reaction which this editorial evoked among officers and men. This and other editorials have helped to make the issue clear - that non-fraternization is the business of every officer and every man in the Army. It made no exceptions. It tried to put its finger on the breadth of the problem and the breadth of the responsibility it places on every man.

Army Talks -- Army Talks have published well over a dozen discussion booklets on the subject, for use by company officers in holding orientation discussions with their men. These are shown in Exhibit C. They include the following titles:

What's Wrong with the Germans  
The German Soldier  
The Nature of a Free Man  
The Enemy and You  
These Guys Fought 'Em  
"Mein Kampf"  
What Boche PWs Think about You  
War Criminals

How Russians Kill Germans  
Achtung  
Greetings from Goebbels  
See Yourself as Jerry sees You  
Who's Who, What's What, and Hau'shofer  
Seven Against the World  
What to do with Germany  
Superman goes Underground

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Authority NND 760210By JW NARA Date 2-7-00

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Entry (6) SHAEFFile 250.1-1 Conduct AlliesBox 12

REPORT TO: Chief, Special and Information Services.

SUBJECT: Fraternization Between Germans and American officers and men.

1. On Saturday, 7 October 1944, Colonel J.J. O'Hare (G-1, Twelfth Army Group), Lt. Colonel George Shirk (G-1, Communications Zone) and the writer conferred on the non-fraternization problem. Colonel O'Hare requested assistance in the preparation of a booklet on non-fraternization, to be distributed to American troops. It was decided that since I was going through the Ground Force Replacement System as an enlisted man and would ultimately serve in Germany with a combat unit, I should make some informal observations on the problem. This was done. After going through the Replacement System, I was assigned to the 26th Regiment of the First Infantry Division, at that time fighting in Aachen. This report is based upon my experience as an enlisted man in Germany.

2. The impressions noted here are those of one individual. To what extent they reflect the experiences of others is not known. It is believed that the situation noted and the experiences which occurred are not in any sense unusual - that they represent in principle the serious nature of the problem. More evidence, however, is needed before definitive judgment can be made or action taken.

3. The main conclusions are these:

a. Obedience to the non-fraternization order will be extremely difficult, perhaps impossible, to achieve.

b. The problem is one of the most serious confronting the Army and the world today. The temptation to fraternize with the Germans is great. The opportunity to do so is also great. The nature of the American soldier is such that he tends to be kindly and generous in his treatment of other peoples, friend and enemy alike. The very factors we like to think make an American an American - principles of fair play, decency and the idea expressed in the phrase "Don't kick a man when he's down" militate against the success of the non-fraternization order. The tendency, indeed, is to pick the opponent off the floor, carry him to his corner, dust him off, and shake his hand in the best sportsman's tradition.

c. A non-fraternization course seems difficult to define and pursue. It is a thin, tenuous path of justice, flanked by brutality on one side and sentimentality on the other. It is a constant war between the heart, which counsels kindness, and the mind, which counsels caution and obedience. It is beset every inch of the way by the attractiveness of many Germans, especially women and children, which tends to weaken the strongest determination to be aloof.

d. The problem is further confused by conflicts in moral attitudes and religious teachings - or in the point of view expressed by the phrase "If we treat them badly, we'd be Nazis ourselves." There is no realistic definition of what non-fraternization means. Many men think it means brutality or conduct patterned after Germany's behavior toward, for instance, the Russians and Poles.

e. In the main, there is no example - no pattern of behavior - being set for the soldier to follow. Officers are subject to the same temptations as the men and share their confusion, conflicts, or unwillingness to cope with them. General officers are said to show special consideration to high ranking captives. Rumors are rife about the pampering of enemy prisoners of war in the United States - rumors given substance by the good treatment accorded prisoners and German civilians here in Europe. Soldiers with the best intentions toward the order have no one or nothing to turn to for guidance or example except the order itself and supplementary directives posted on bulletin boards or read with more or less conviction by officers or NCOs.

f. As a result, the Army faces a threat to discipline. This threat is acute now. It will become infinitely more acute when the occupation phase begins. It may be that a situation paralleling the period of

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11.

Warweek -- The Warweek supplement of Stars and Stripes has campaigned against non-fraternization pictorially and with reports and stories culled directly from front line experience as well as from all available literature on the subject. The article entitled "Sucker Play" and the complete non-fraternization issue of Saturday November 4, 1944, were highlights in the non-fraternization campaign. Some Warweek material is presented in Exhibit D.

American Forces Network -- The American Forces Network has broadcast the subjects of Army Talks in dramatized form, in the United Kingdom.

Yank -- Frequent stories appear in Yank which explain the nature of the enemy and affect non-fraternization attitudes. Examples appear in Exhibit E.

The above exhibits are not complete. They indicate the manner in which the problem has been attacked. Additional non-fraternization materials will continue to be published as long as Army policy dictates.

Non-fraternization Booklet -- In addition to the above, a special pocket size booklet might be prepared, illustrated and simply written, with the background of the problem, its seriousness and its portent presented. The Information Branch, Special and Information Services, will gladly undertake the preparation of such a booklet upon request. A basic theme of such a booklet might be to compliment the soldier on the great job he has done in beating the Germans, with a plea that the good job not be neutralized by improper relations with the Germans - and with special emphasis on non-fraternization as a military weapon and as a security force.

The facilities of the Special and Information Services will continue to support the Army's program. The Stars and Stripes, Yank, Army Talks, the American Forces Network, The Allied Expeditionary Forces program on the BBC, Warweek, Tomorrow (a new publication launched this week) will attack it in many ways, many times over.

The Research Branch will also be utilized in keeping the High Command apprised of soldier thinking on the subject.

h. Important - Information and Education Program -- The Information and Education program, both in its present phase and phase 2 (post-hostilities) is pressing and will continue to press this matter, utilizing the regular duty time discussion groups for the purpose and encouraging off-duty discussion as well.

The success or failure of the Information and Education program can have an important bearing on the success or failure of the non-fraternization program. The commanding officer of a unit can order his troops not to fraternize with the Germans. But it is the Information and Education officer who can best explain the reasons for the order - who can present the record of the past, and future prospect. It is his duty to give men political and social consciousness - historical perspective - a sense of obligation to themselves, to the Army, to the nation and to the future peace of the world.

Circular 360 defines the duties of the Information and Education officer. He is the Assistant S-3 or A-3. He influences his unit's training - supplies the company commander with the information, explanation and motivation that lie behind the training program. He is closely tied in with operations. He is, in a sense, a gland secreting a vital fluid into the bloodstream of the Army. If he understands his job - if his commanding officer understands the Information and Education job and lends it full support - he can do his work. He can help satisfy General Marshall's request that the American soldier be an informed soldier. He can give meaning to General Eisenhower's demand that "A better understanding of the background of the war and the soldier's responsibilities in the post-war world will also be developed."

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12.

An informed soldier - one who understands the war's background and the soldier's responsibilities in the post-war world - won't fraternize.

The Information program in the past has been conducted largely through means of the media listed above. In some units it has had ardent support from commanding officers and has been well carried out by intelligent Information and Education officers. The scope and serious nature of the non-fraternization problem will require a more general appreciation of this program.

A directive should be issued stressing the importance of having only such officers appointed as Information and Education officers as have proper qualifications - and that they be given complete support by their commanding officers in fulfilling their difficult task.

i. One of the tasks of the Information and Education officer will be to keep files of pertinent non-fraternization material accessible to the men. Whenever his unit's situation becomes static, the opportunity for special bulletin boards and special displays develops. Together with situation maps, news digests and other informational material, a competent Information and Education officer will present interesting displays of non-fraternization material culled from various Army publications, plus any supplementary material which may be prepared and distributed.

j. The War Department, with all the facilities available to it in the United States, should supply additional material - particularly in the fields of cinema and in publications of a more lavish nature than circumstances permit in Europe. All the resources of the American film industry, including Walt Disney, should be employed.

k. The content of the Army Talk prepared by the War Department entitled "Orientation Fact Sheet No. 2 - What is the Score on our Prisoner of War Camps" should be distributed broadly throughout the Army in this theater. It clears up many of the rumors and much of the misinformation regarding official pampering of German and Italian prisoners of war at home. The same problem must be touched upon through other media and in other ways. (This material is being reproduced in a forthcoming ETOUSA Army Talk).

l. The War Department might also undertake a poster campaign to meet the problem. These posters should be ready for the time when the Army in Germany is static and when wall space and bulletin board space are available for posting. The best art and reproduction should be employed and the content of the posters determined by competent planners who understand the problem and the soldier. It is suggested that the most popular artists in this theater - men like Breger, Wingert and Mauldin - be among those used in preparing this poster material.

m. The non-fraternization problem is and will probably continue to be variable. It will change from time to time. Serious as it is now in a fighting Army, it may be infinitely more serious when the Army becomes an occupying force. Or it may have to be reconsidered completely in light of changing events in Germany, Europe and the world. New phases will introduce new problems. These will have to be watched continuously and measures taken to meet them. To accomplish this it is recommended that a Board be constituted to maintain a constant watch over the problem and to keep the High Command informed at all times as to measures necessary to keep it within control. This personnel should include experts not only in public relations, but more particularly in soldier relations. Individuals familiar with soldier mind and able to understand soldier problems.

n. The heart of the problem may lie in a lack of social, political and historical perspective in many American officers and men. A sizable percentage of the Army is fighting this war without motivation other than the fact that America was attacked. The educational system and the churches of America have failed to educate Americans to understand the full implications of their freedom, security, their role in the world, their obligations and responsibilities. From the last war and from 20 years of Armistice we have inherited an attitude of cynicism. Idealism has been unfashionable. The Army's Information program has fought to regain ground

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13.

lost during 20 years of defeat and retreat. It has not - it could not - completely succeed.

The fraternization problem is a natural child of the conditions related above. Unless men are ruled by principle, intelligence and inner desire born of understanding, no non-fraternization policy can succeed. On the degree to which the educational and informational processes can be stepped up and supported in this theater, will the program's success, in large measure, depend. On the example set by Army authorities and by officers will the enlisted men's conduct depend. On pitting every resource the Army has against this problem - publications, supporting directives and personnel - may real victory and lasting peace depend.

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