

# Post War Germany 1945-1961

## The Backdrop to VE Day May 1945

Enthusiasm for Hitler had been waning since the turn of the war's fortunes. In 1945 there was great uncertainty about the future.

*Despite the atrocities/damage/cruelty inflicted on Europe and Russia the German nation adopted a "victimhood" identity and could only think about **what happened to them in 1944/45**:*

- **6.5m deaths in WW2** including over 3m German soldiers killed in action and 500,000 civilians killed in air raids. 1m German POW's in Russia – many never to return. Huge damage followed by theft of their remaining infrastructure by allied (especially Soviet) powers – e.g. dismantling of factories, rail-tracks, stocks (e.g. aluminium to France)
- Mass rape by Russians
- Tough regimes by all occupying forces
- Reduction in size of country – with the Polish border moved west to the rivers Oder and Neisse (see map later)
- **10m refugees** heading from East to West fleeing Soviets.
- **50% of population on the move in 1945.** 8m foreign/displaced persons in Germany (forced labourers/POW's including 400,000 survivors from the Concentration Camp system)
- Severe shortages/logistically broken (e.g. few functioning means of communication, little fuel, food, resources, appalling housing conditions – especially in cities reduced to rubble). Overcrowded living conditions, widespread exhaustion, illness and psychological disorientation. Family breakdown with women especially suffering – feeding/caring for their own families and the hard physical labour of rebuilding from rubble/ruins. **Barely a subsistence economy with money almost meaningless.** Severely restricted calories on ration cards had to be supplemented by bartering/black market. More profitable to forage in the countryside/trade in cigarettes or chocolate and services (including prostitution) than a full time job precluding such activities. **Near to famine** in the winter of 1946-47.

## Immediate Post War Years 1945-1949

In 10 years from 1945 a transformation in the Allies' perception of Germany: From **Hostility To a divided German people facing each other in hostility with their respective armed forces representing the wider opposition of the Western and Soviet Blocs**

How this came about: In the period 1945-1949 patterns developed to set the tone for the next 40 years of both German and international history. The Allies at this point had no clear idea concerning what should be done with Germany. However, plans to draw up occupation zones had been drawn up by the allies in 1943 and then at conferences in Teheran and Yalta – including the need to **de-Nazify, democratise and demilitarise** Germany. At Yalta (February 1945) Roosevelt, Churchill and Stalin split Germany into occupied zones (with authority vested in an Allied Control Council with the commanders-in-chief meeting in Berlin) see map below – this shows both the loss of German

territory and the new Allied Occupied Zones:



- **British** (north west) **Population 22.7m and 97,300 sq km**
- **American** (south west plus Bremen/ Bremerhaven) **Population 16.7m and 116,670 sq km**
- **Russian** (in the east) **Population 17.8m and 121,600 sq km**
- **French Zone** (small zone the west carved out of the original British and American zones) **Population 5.8m and 39,000 sq km**
- **Berlin (wider area) – Population 3.2m and 900 sq km**

Different occupation zones had different ideas but broadly they were split between: **a relatively conservative, “restorationist” state in the west versus a hard line communist state in the east**

Therefore, there was no **“Third Way”** – as had been hoped for by **many democratic anti-fascist Germans** – this could have **combined democracy and socialism and permitted German unity and neutrality.**

At this point German unity was to be preserved but for now not under a central authority. But relations between East and West were already strained with fears/suspensions on both sides - **beginning of the Cold War.**

German militarism and Nazism were to be eradicated. Churchill in particular had insisted on the destruction of **Prussia** as a state (seen as **the root of militarism**). In return he had allowed Stalin to have **Poland’s borders moved westwards** (allowing Stalin a greater area of control).

**Potsdam** (July 1945 where Truman, Attlee – newly elected leaders - and Stalin met) represented a peak in allied unity going much further regarding the future of Germany:

- *Abolition of the Nazi Party and its associations*

- *Decentralisation of the German economy*
- *Removal of Nazis from official/semi official positions of responsibility in Private Businesses*
- *Democratic Renewal of Education and the Legal system*
- *Reinstatement of local autonomy*
- *Permission to form democratic political parties*

## **Democratisation**

Immediately after the war the attitude of Germans to politics was of apathy/weariness and day to day survival. However, political authority would be encouraged along democratic lines in all zones.

### ***Soviet Zone***

Several parties emerged in 1945 but as results of local elections came in it was clear the KPD (Communists) could not compete with the SPD (Social Democratic Party) despite their unfair advantages in campaigning equipment etc. In 1945-46 pressure was put on SPD to merge with KPD. Many in SPD left for western zones leaving a rump of party to merge with the Communists to form the Socialist Unity Party (SED) in April 1946. Democrats were purged from the party and Communists installed in all key positions leaving very close Communist control over life/political activity.

### ***West Zones***

Much of the precedent set for structures/institutions was taken from the pre 1933 Weimar Republic. In 1945 the expectation was a provisional state in anticipation of reunification. The constitution was called the Basic Law (never put to a Popular Vote).

Politically, the removal of Prussia enabled a more balanced federal system.

- *Local Governments formed in the Spring of 1946.*
- *At a local level parties were invited to apply for licences.*
- *SPD remained very hostile towards communist activities - determined to remain separate.*
- *Catholic/Protestant conservative grouping formed the CDU – with the CSU (Christian Social Union - the equivalent in Bavaria)*
- *CDU Leader to eventually emerge and dominate West German politics as Chancellor in the 1950's was **Konrad Adenauer**.*
- *Small Liberal parties merged into the Free Democratic Party (right wing pro business agenda)*

### ***Berlin Airlift***

With the deterioration in East-West relations the Soviets were alarmed by **the prospect of a West German state** – a clear violation of the Potsdam Agreement and one which they rightly supposed would lead to German re-armament. Their protest took a characteristically insensitive form: the blockade of Berlin from all road, rail and water links with the West (as well as electricity supply) triggered by Western currency reform in June 1948. During the blockade the west flew in planeloads of supplies - in the process it transformed West Berlin from a symbol of Nazism/militarism into the last outpost of Western democracy. A clumsy attempt to prevent the formation of a West German state was portrayed in the West as Russian aggression and the tactic backfired. The courage of 2m

Berliners standing up to Russian pressure became a byword in the West. The Russians finally admitted defeat and lifted the blockade in May 1949. The crisis had a lasting effect on Berlin; by the end of 1949 separate local authorities were operating in the two halves of the city.

## De-Nazification/Re-education

A huge task confronted the allies – *millions of refugees and the cleansing of Nazism*.

The best example of the four allies collaborating was the Nuremberg Trials of the major war criminals (20 November 1945 to 1 October 1946) - not a perfect process – 20 years later there were still 700 outstanding cases being pursued by the Simon Wiesenthal Centre.

In the Soviet Zone there was a major restructure of society with a replacement of old elites.

Western zones tended towards rehabilitation. Those automatically arrested in 1945 were processed over a period which only ended in the early 1950's (the US and French were stricter than the British).

There were shortcomings of the de-Nazification/re-education processes of 1945-1949. Allied policy fed the collective amnesia in much of Post War German history. The Communists equally failed to come to terms with the German legacy.

USA from 1946 onwards perceived that the dangers of Communism outweighed the desire to punish former Nazis. This led to a change in economic/political policy - ***West Germany became an ally in the fight to defend "freedom/democracy" against the evils of "totalitarian" communism***

## Economic Revival/Transformation

There was a clear contrast between east and west in political and economic policy:

- Sovietisation of the East Zone
- West - a draconian attitude/downsizing changed to a focus on reconstruction (Marshall Plan)
- Turning point - May 1946 - Britain and America halted the dismantling of plant not already scheduled for Russia. Secretary of State Byrnes called for the establishment of central German agencies to accelerate German economic recovery.
- Marshall Plan eventually facilitated economic growth/material prosperity/political conservatism/western integration. Economic circumstances were far more important than political measures (e.g. re-education) in affecting the political attitudes of the people.
- In June 1948 the New Deutschmark accomplished a devaluation of the old Reichmark achieving a stabilisation of the economy in the West. This was followed by a comparable currency reform in the East.

### ***The Soviet Zone***

Here the aims were consistent – an exaction of maximum preparations and reconstruction. The East had certain advantages:

- *population of only 40% of the combined Western Zones but Fixed Industrial Capital of 48%*
- *In the north it was mainly agriculture but in the south there were major industrial centres.*

- *Generally (subject to exceptions such as Dresden) it was less badly affected by war damage*

However:

- *the East was an area of specialised industries (e.g. Glass, Ceramics and Electrical Goods) – **but** the basis of a non-self sufficient economy – chronically short in/highly dependent on the west for natural resources/raw materials*
- *Important provinces to the East for agriculture/coal had been lost to Poland.*
- *Highly dependent on trade links with the former Reich/now suffering from the severance of those links*

Also major demographic issues:

- *Loss of young males (to the war)*
- *Preponderance of older people*
- *Preponderance of females*
- *Influx of refugees from further east leading to shortages of food and housing*
- *Loss of population (including skilled labour) to movements further west*

The situation was worsened by Soviet occupation policy.

- *Dismantling of infrastructure/machinery reduced capacity by 26% (12% in the West).*
- *By Spring 1948 the Soviets had dismantled over 1900 plants (almost 1700 completely).*
- *Capacity was 50% of 1939 (including war damage).*
- *Until 1953 25% of National Product spent on occupation costs/reparation payments (against 11-15% in the West up to 1949).*
- *The Soviets had taken \$30bn out of the economy against an agreed figure of \$10bn*
- *Land Reform of abolished large estates - 30% of the agriculturally fruitful area lost - some was redistributed to peasant smallholdings with the rest taken into state-owned farms - smallholdings too small to be economically viable/lacked adequate equipment - later led to the development Cooperative forms of organisation and first Collectivisation*
- *In 1945 the Private Banks transferred into Centralised State Banking.*
- *Private Insurance companies were merged into 5 Regional Public Insurance corporations*
- *Mines and Minerals became publicly owned.*
- *Private businesses owned by “Nazi Activists” were sequestered in October 1945.*
- *In Saxony in a plebiscite with a 93.7% turnout - 77.6% were in favour of expropriation with 16.5% against and 5.8% of votes invalid - taken as a mandate for all other states!*
- *Private Sector shrank from 40% (1948) to 15% (1955)*

All the above coincided with deterioration in East-West relations and the developing Cold War.

### ***The West Zones***

There were no comparable major changes to economic structure in the West. The Americans (and British under US pressure) intervened to prevent socialisation of key areas of the economy – protecting private ownership against more radical proposals favoured by many Germans. In reaction to the recent Nazi past, state control of the economy was eased – as much of a free market as

possible but still a role for state interference. This was to ensure free enterprise was profitable and to provide a social welfare safety net for victims of the market.

The West contained the major industrial area - the Ruhr, as well as the coal rich Saar - on the whole more densely populated than the East. The economy in these Zones was already beginning to pick up before the full impact of the Marshall Plan was felt. The Marshall Plan did not however, just have a purely financial impact - it:

- *Was a stimulant to Economic Activity*
- *Acted as a Psychological Prop*
- *Gave Credence to the Currency (Deutschmark)*
- *Encouraged Investment in an Economy which had American backing*
- *Psychology of Industrial Relations and the Political Organisation of the Economy*

On the last point it:

- *Fostered a Managerial climate of opinion*
- *Depoliticised Industrial Relations*
- *Gave a focus on Productivity not Social Redistribution*

It was rejected by the USSR and the East European states because it was a market based (rather than State controlled/centrally directed) economy.

At this time German Trade Unions were weak:

- *Low Wage Demands e.g. Refugees were prepared to work for low Wages*
- *Low Strike Record*
- *Lack of Militancy*
- *Exclusion of Communist influence*
- *Psychology of Rebuilding*

The Marshall Plan of course benefitted the USA through new expanding export markets! **The USA was now to support the economic recovery of Western Europe – especially West Germany – for the benefit of the USA economy! The USA was seeking Export Markets and also saw West Germany as a bulwark against communist expansion in Central Europe. The USA now supported a view that an orderly and prosperous Europe requires the economic contributions of a stable and prosperous Germany.** From August 1947 the British and Americans allowed production to increase in their Zones to 70/75% of 1938 levels. The French were stopped from stripping their zone/seeking maximum reparations (e.g. the removal of huge aluminium stocks) in 1949.

## **Crystallisation/Consolidation 1949-1961**

### ***Politics/Constitutions***

The eventual division of Germany in 1949 was an unintended result of the emerging Cold War between the superpowers. Who was responsible for the division? The most obvious first answer was the Germans themselves – they unleashed a world war – had they not declared war on the USSR and

the USA and involved these powers in central Europe there would have been no post war reorganisation of the international system. With the formation of the two states (GDR otherwise known as East Germany and GFR or West Germany) the dominant politicians to emerge were Konrad Adenauer in the West and Walter Ulbricht in the East.

### ***East-West German Relations***

Throughout the 1950s relations between the two states were extremely bad.

- *Adenauer – pursued policy of maintained tension – discouraging contact with GDR*
- *1955 – GFR announces diplomatic relations would be broken off with states recognising GDR*
- *GFR severed relations with Yugoslavia in 1957*
- *GDR did not wish to improve relations with GFR*

### ***The East***

On 11 October 1949 the GDR was formed – dominated by the SED (Communists). Initially basic rights were guaranteed including:

- *Freedom of Speech*
- *Press*
- *Assembly*
- *Religion*
- *Right to Strike*

Initially a pluralist political system similar to the GFR was permitted – the CDU and LDPD (Liberal Democrat) remained only because they recognised the existing power realities. The SED remained the controlling party - by 1949 a highly centralised Leninist party. In 1952 the 5 Regional States were abolished and replaced by 13 Bezirke – smaller regions which made it easier for the SED to centralise politics and suppress regional political strongholds. See the two maps on following pages – as at 1949 and then 1952:

States of the GDR, 1949



Districts of the GDR, 1952



Stringent economic measures led to the Berlin uprising in 1953. A building workers demonstration demanding a lowering of work norms escalated into an uprising affecting several towns by 17 June:

- *There were calls for a National Strike*
- *This led to an uprising and demonstrations*
- *300,00-372,000 went on strike mainly industrial workers*
- *The protest failed to develop an adequate organisation or leadership*
- *Russian soldiers and tanks and German police quickly restored order*
- *Dozens of demonstrators died – officially 21 and shots were fired (mainly in the air)*
- *Thousands arrested*
- *USSR deeply shaken by the experience*

Only after the Berlin uprising did Russia begin to relax control and allow the GDR limited freedom of development within the socialist camp:

- *USSR modified their German policy*
- *Reparations ended*
- *Firms in Soviet hands were returned to the GDR*

At first Walter Ulbricht (SED leader/effectively head of state) promised to persevere with the New Course (announced just before the uprising) and some economic improvement was made. By 1954 he reverted to the “building of socialism” concentrating on the **expansion of heavy industry at the expense of consumer goods**. With the influence of Krushev (“deStalinisation” speech 1956) pressures built up in the SED for greater economic freedom/less state control. Ulbricht purged the party of opponents of the new Russian line which combined state supervision of the economy with decentralised control mechanisms. In 1958 Collectivisation was extended further and there was a drive against remaining small businesses and shops. This all led to worsening economic conditions and an anxiety about the future of Berlin:

The SED controlled matters from Politburo (executive) level and decisions made had to be accepted and executed at Regional/District levels. In the workplace all workers belonged to a single Trade Union organisation, The League of Free German Trade Unions (FDGB) – **less a body representing workers’ interests than a mouthpiece for the ruling SED Party**. Nevertheless it had significant benefits for its members (100% of the workforce) including:

- *Organised holidays – extended to travel abroad to socialist countries (Russia, Eastern Bloc and Cuba) in later years*
- *Day to day intervention in disputes relating to working conditions, factory competitions, wage rates etc*

Whilst freedom was extremely limited and there were stark material differences with West Germany, **many East German workers valued their sense of security of employment**.

### ***Ulbricht***

Walter Ulbricht as a dedicated Communist returned to Berlin from Moscow in April 1945 and implemented the reforming of the KPD. Subsequently:

- *Became Deputy Minister-President of the GDR in 1949*
- *First Secretary of the SED Politburo (later General Committee) in 1953*
- *Chairman of the Council of State in 1960*

**He helped to transform the SED into as highly selective cadre party subservient to the wishes of the USSR. Economically he slavishly followed the Russian style 5/7 year plans.**

- *An able administrator in the mould of Stalin*
- *Had a well-defined instinct for political survival – e.g. Berlin Uprising*
- *Stayed loyal to Moscow during 1956 Hungarian Uprising*

### **The West**

Constitutionally the GFR was Germany's second attempt at liberal parliamentary democracy in the 20<sup>th</sup> century (following the Weimar Republic). **Bonn became the centre of government.** In comparison to Weimar (with lessons learnt from the Hindenburg/Hitler era):

- *The role of president was weakened – now a ceremonial figurehead*
- *Chancellors could only be ousted by a “constructive” vote of “no confidence” – i.e. parliament could not just indicate its lack of support for a chancellor; it had at the same time to vote in “constructively” an alternative who could command majority support in parliament. If no majority was found a General Election was triggered.*
- *Normally a fixed parliament of 4 years*
- *Complicated PR electoral system as per 1956 law – each elector had 2 votes – 1 for a local representative (MP) and one for a Party.*
- *A party must have 5% of the popular vote or win a constituency outright – to hinder extreme parties and over complicated coalitions.*
- *Central and Regional Elections were drawn up with much more power at a Regional level*
- *West Berlin sent representatives to Bonn but was unable to elect members directly as it was still a city under Allied control with special status.*

Few in the West trusted German democracy in 1949! In fact, two parties were outlawed:

- *1952 – SRP (Socialist Reich Party) – a far right party*
- *1956 – Communist Party (KPD) – in the 1950s the CDU had whipped up fear of them*
- *In 1952 sovereignty was restored to the GFR and occupation ended.*

In the 1950s supporters of smaller parties (e.g. those representing refugees/expellees) were won over and in 1957 the CDU/CSU gained over 50% of the vote for the first time.

Opinion polls for much of the 1950s suggested that the population was not much more influenced by democratic ideas than it had been a generation earlier. However, nationalism was now marginalised and there were new attitudes to Germany's place in the wider world. There was a continued feeling of anti communism and a desire for order amongst the middle classes. By 1959 West Germany was probably more united in ideology than it had ever been.

### **Adenauer/Political Opposition**

The West German political elites whatever their lip service to the goal of unity, were prepared to **take the material prosperity/political and military security at the expense of jettisoning their East German relatives**. They actively participated and cooperated efficiently in the establishment of a new economic order/political framework for a partial nation/western state and did very little to hinder the course of division.

In 1949 Konrad Adenauer with 31% of the vote (Centre Right CDU/CSU) was narrowly elected by one vote as Chancellor of a coalition government – it turned out to be highly important in determining the course of subsequent West German history. He was already 73 – a Rhinelander, a Catholic and a staunch anti Communist and former Mayor of Cologne (1917-1933).

CDU at this time a Catholic party although - over time it transformed into a more broadly based Christian Conservative one.

He was a strong authoritarian who dominated his cabinet. A major fault was his outrageously dishonest denigration of his socialist opponents as a stalking horse for Communism – the “enemy within” who could not be trusted with power.

- *Committed to a CDU (Centre Right) dominated western capitalist democracy*
- *Viewed prospect of a united, neutral SPD (Centre Left) dominated state with a predominance of Protestants with little enthusiasm!*
- *Lip service only to reunification!*
- *The West thought along the same lines*

Main achievement - his contribution to the re-establishment of his part of Germany to a position of equality among Western nations through:

- *Tenacious political tactics*
- *Relentless anti-Communism – stimulated by the Americans*
- *His wholehearted commitment to the West*

He was helped by the American and British wish to see the GFR tied to the West and European initiatives such as the **Coal and Steel Community** and **EEC**. He was not interested in the GDR and unification.

In 1949 he persuaded the Western powers to suspend further dismantling of industry in exchange for German agreement to international control of Ruhr industry – a device to prevent the re-emergence of giant combines which many held responsible for the rise in Nazism.

The biggest reason for his electoral success however, was undoubtedly the “**Economic Miracle**”. Adenauer’s election slogan at this time was “**No Experiments**” – it resonated with people who had recently been through too much change! Crucially, **Democracy was now being associated with Economic Success** – unlike the experience of the Weimar Republic (1918-33)!

During these years the SPD (sister party to the Labour Party in the UK) was initially a bitter opponent for all that Adenauer stood for. It eventually changed course (having opposed German membership of the Coal & Steel Community, the EEC and NATO – on the grounds that membership diminished the chances of reunification). The example of the GDR was always held up by the CDU to cast

aspersions on the SPD – despite its commitment to democracy. Not a powerful opposition the SPD in the 1950s was:

- *Always susceptible to slurs from the right*
- *Subject to tensions from within on rearmament and remilitarisation*

In 1959 the SPD:

- *Stepped away from its Marxist past*
- *Declared that Democratic Socialism was rooted in Christian ethics/humanism/classical philosophy*
- *Economically accepted a pragmatic creed combining essential planning with a belief in the social market economy*
- *No longer a class party but of the whole people*
- *Old fashioned anti clericalism ditched*
- *Acceptance of principle of national defence*
- *Support for NATO leading to bipartisan foreign policy*

**This led to a revival in the fortunes of the SPD.**

Adenauer left office under a cloud:

- *1960 in a wrangle to become President and retain control of Foreign Policy – CDU refused to swallow it – then he threatened to continue indefinitely as leader (he was now 84)*
- *1961 – Berlin crisis – (SPD Mayor Willy Brandt captured the popular mood of defiance – in contrast to Adenauer’s lethargic response)*
- *1961 a narrowing of the % gap between SPD and CDU/CSU – CDU/CSU-FDP coalition was renewed only on condition that Adenauer promised to resign by 1965 (he left office in 1963)*

## ***The Economies***

### ***West Germany***

The GFR’s new international status was underpinned by economic recovery masterminded by **Ludwig Erhard**. He was a believer in private enterprise and when he was Economics Director of the Western Zones he dismantled the control system inherited from the Nazis. Rationing/price controls were abolished and taxation reduced. The **“German Economic Miracle”** completely transformed West Germany from a devastated/demoralised country into a thriving industrial state by 1959. **It does however, have to be said that a coincidence of favourable (factors alongside Erhard’s measures) made this possible:**

- *GFR the early recipient of huge American (Marshall) aid/associated climate of confidence*
- *GFR did not carry an armaments burden/ fight colonial wars. Cheaper Nuclear Defence Policy*
- *Demand for industrial equipment caused by the Korean War (1950-53) boosted the economy*
- *Exports boomed due to an undervalued currency and free trade in Europe*
- *Influx of cheap, skilled, mobile labour from the East*

The above was all supported in a single-mindedness of purpose in concentrating on the recovery/reconstruction – coupled with the avoidance of debilitating conflicts between employers/trade unions over the distribution of the Gross National Product.

Unemployment from 1,900,000 in 1950s to 200,000 at the same time integrating 7.9m refugees!

The economy grew on average at 8% annually coupled with rapid improvements in living conditions. This enviable performance was characterised by (compared with other West European economies):

- *Unique relations between Banks and Industry*
- *Restricted Consumer Credit*
- *Encouragement for Investment – from the above, high profits and tax incentives*
- *Low Inflation and Unemployment Rates*

An elaborate welfare system was created in the 1950s (family allowances, pensions and unemployment and sickness insurance) in accordance with the GFR's commitment to a "socially responsible" market economy. **The Equalisation of Burdens Law (1952) in the course of 20 years transferred DM 90,000m from those who suffered least in WW2 to those who had lost everything.**

### ***In the Workplace/Socially***

There was however, a downside to all of the Economic Success. **Whilst living standards were generally much higher in the West, there was greater inequality of income and wealth across a broad spectrum.** Workers' wages were kept low and by the 1960s **a large proportion of the nation's wealth was concentrated in a small minority of hands.** Importantly however, in the 1950s **comparisons tended to be made with the past and not other people's prosperity e.g. from ruins and devastation to being well fed and well housed etc.**

For now though the GFR presented a picture of stability, success, economic growth and unparalleled prosperity for all – consumerism with a vengeance:

- *Self serving shops replacing "across the counter service"*
- *Travel abroad*
- *Domination of the car as the form of transport*
- *TV*
- *Rock & Roll!*

In the workplace industrial relations and state-business links were rather different to those in other Western European capitalist economies:

- *1951 – A measure of "co-determination" was introduced in enterprises with over 1,000 employees in the iron and steel industry – allowing representatives of the workforce a say in management decisions although management retained the chair's casting vote.*
- *1952 – Works Councils for joint discussion of matters internal to an industry were established*

The above measures provided the basis for the claim that German industrial relations were peculiarly harmonious, characterised by a **"social partnership"**.

West German workers were less strike prone than the British for a variety of reasons e.g.:

- *Rapidly rising standards of living*
- *An unwillingness to rock the economic boat*

However, much legislation was introduced against considerable opposition from employers and some disappointment from unions. There was consolidation of unions – one per industry (strengthening bargaining power for the 17 in total) and politically neutral – compared to Britain and, compared to East Germany where there was a single Trade Union! A new ethnically distinct “underclass” of “guest workers” developed from 1955 – foreign workers predominantly employed in the jobs that were:

- *Most disagreeable*
- *Most poorly paid*
- *Worst Employment Rights*
- *Worst Health & Safety measures*
- *Least Union protection*

At the other end of the spectrum the old aristocracy still survived. Mobility was still possible with educational credentials and there was at least a **plurality of elites** in an unequal but open society:

- *Politics*
- *Finance*
- *Business*
- *Academia*
- *Medicine*
- *Law/other Professions*
- *Churches*

Women still had their social status measured by their father’s or husband’s occupation. If they did work it tended to be in part time/temporary employment with minimum help from state nurseries/after school childcare.

By the late 1950s writers criticised what they saw as bourgeois self satisfied materialism which only lived for current comforts and suppressed the past. However, rapid economic success ensured an early commitment of vast numbers of former undemocratic Germans to the new democracy – a democracy thrust upon them in an hour of national humiliation and defeat - *therefore a lack of ideological commitment to democracy but a spread of anti-Communism in the 1950s*. The latter had always been popular with the middle classes as it had been important in the rise of Hitler.

In 1950s West Germany people were finding a more prosperous way of life – forgetting/suppressing memories of the recent past! **Germany was in denial!**:

- *Most Germans were unwilling to confront their role in Germany’s crimes*
- *There was a communication gap between generations and about the politics of the past*
- *The lie of “happy families” and the lie of “a society that would not face up to the past”*

Former Nazis (both committed and conformists) fitted easily into Adenauer’s Germany. Although in the immediate post-war period 53,000 civil servants had been dismissed for membership of the former Nazi Party **only 1,000 were excluded permanently** from any future employment. Under the

1951 Reinstatement Act many were reemployed in the Civil Service and obtained full Pension Credits for their service in the Third Reich. By the early 1950s **between 40% and 80% of officials were former Nazi Party members. Very few members of the Judiciary were permanently disqualified.** Former Nazis were able to gain prominent positions in public life – **even within Adenauer’s Cabinet!** If considered at all, the Hitler period was dismissed as an isolated aberration in German history. Many West Germans still believed that had Hitler won the war he would have been one of the greatest statesmen ever! But working for the **present/future** was more **important and productive.**

The 1950s is a period that has provoked heated debate amongst Germans. The facts are clear but can lead to two contradictory conclusions:

- (A)** *Many former Nazis received minimal if any punishment for their crimes or complicity in an evil regime. It can be shown that entrepreneurs built up vast personal fortunes on the basis of Nazi “aryanisation” Policies (forcible expropriation of Jewish concerns) and exploitation of slave labour, working Poles or Jews to the bone before their death by exhaustion, starvation or gassing, were able to use the capital amassed to continue successful careers in the GFR and influence prominent politicians in their favour. In the meantime thousands of courageous people who had refused to compromise with the Third Reich found their paths to Civil Service careers blocked as positions were retained or refilled by former Nazis – a terrible waste of talent and a moral scandal. A chance to restructure society was missed as neither structure or personnel were changed in an era of conservative “restoration”. .....OR*
- (B)** *Without integration of former Nazis and the economic success, Democracy may not have survived. A radical anti-system opposition from a few activists and mass discontent based on economic misery and uncertainty would have provided powerful destabilisation forces. Did the ends justify the means? Actions which can be criticised on moral grounds may have had consequences which even the critics would applaud?*

These arguments exploded into the GFR political arena in the 1960s and were not always characterised by rational discussion!

### **East Germany**

While the GFR’s economy was beginning to recover in the early 1950s, the GDR’s position steadily deteriorated. Russia continued to exact reparations regardless of the effect on the GDR.

Despite:

- *Having been ravaged by Soviet reparations*
- *Having lost its natural trade links to the west*
- *Its economy now reorientated towards the less developed economies of the Comecon bloc*
- *Having been radically restructured with dislocations and difficulties*

.... the East German economy achieved something of a miracle of its own in sustaining a modest level of growth.

The GDR did however enjoy certain advantages over other East European economies:

- *Apart from western Czechoslovakia (today's Czech Republic), no other East European country started the Post War era as industrialised/technically skilled*
- *It had a unique trading relationship with the GFR – a special status under the Rome Treaty – the GFR insisted that its trade with the GDR be treated as “domestic trade” and therefore free of tariffs and taxes. A third of the GDR's trade with the west was with the GFR (including West Berlin) so this was important. The GDR could more easily overcome bottlenecks in the supply of materials with the GFR than it could with other Comecon countries.*

Ulbricht's unrealistic plans for the “**building of socialism**” (1952) laid the emphasis on **rapid industrialisation/collectivisation of agriculture** (effectively ending an independent peasantry) strained the economy to breaking point. This was accompanied by:

- *Punitive measures against farmers, middle classes and churches*
- *Labour (especially skilled) shortages intensified by accelerated flight of refugees to the West*
- *Anxiety about the future of Berlin:*
- *1950s 8% growth rate fell to 2.3% between 1960 and 1962 (although it later improved)*
- *GDR in a serious economic crisis*
- *Emphasis on state control/expansion of heavy industry at the expense of consumer-goods production – heavy dependency on Russia*

Economic decline and the exodus of skilled labour led to the political difficulties of 1953 and 1961. The nationalisation of finance and industry and squeezing of an ever-diminishing private sector led to what some say was a form of “State Capitalism” characterised by:

- *System of central planning where the state determines levels/types of productive output – often with little regard for consumers*
- *In the 1950s quantity was emphasised at the expense of quality and even demand*
- *Heavy industry and remilitarisation at the expense of consumer durables*
- *Dislocations in supply/inadequacies of central planning*

### ***In the Workplace/Socially***

As would be expected, there was less inequality in the GDR – although later in the 1960s there was a relaxation in rewarding certain people (e.g. top doctors, engineers and scientists, as well as Politburo members, ministers, high-ranking officers and generals and regional industrial/political leaders).

The old economic and educated bourgeoisie were transformed into the new socialist intelligentsia. Capitalists disappeared with the nationalisation of industry and finance and the professions (academia/education, journalists and technicians/engineers) depended on the State for their professional positions. They could only receive the appropriate education through political conformity – **the most important prerequisite for social mobility!** Theology was the only course of study for those who wished to “think differently”!

There were positive measures to advance previously underprivileged children from peasant to working class backgrounds – at the expense of the middle classes (many of whom sent their children to universities in the West whilst it was still possible).

There has been much debate on whether there was an increasing degree of equality for women in East Germany – although this was to change there is little positive evidence on this subject pre 1961.

Christian institutions remained relatively unscathed and in 1950 retained their all-German links. However, individual Christians continued to be harassed.

East Germany was therefore not a “classless” society in any real sense – particularly with its political elite.

In the GDR environmental pollution exacerbated the cycle of poverty and deprivation in many areas.

## Foreign Relations and Rearmament

### *The West*

Adenauer experienced difficulties over German rearmament. The Allies were originally determined to stamp out militarism in Germany but in 1949 NATO was formed to defend the North Atlantic area and Europe against Soviet aggression. The Americans insisted on a German contribution to strengthen ground forces against the numerically superior Russians. This demand disturbed many Germans and westerners who feared that it would diminish hopes of reunification. Adenauer went along with the demand and welcomed the French proposal to join the EDC (European Defence Community) – however, the French Assembly defeated the project. At the London Conference (1954) Britain, France and the Benelux countries invited the GFR to join the WEU (Western European Union) in an enlarged alliance. In return the GFR promised not to manufacture atomic weapons and to place her armed forces under the supreme allied commander. In return, France and the Benelux countries agreed to give the Saarland (still disputed territory) European Status in the WEU.

*GFR – European Integration and return to sovereignty:*

- **October 1949** (just after the foundation of the GFR) membership of the OEEC (Organisation for European Economic Cooperation)
- **March 1951** Occupation Statute revised
- **April 1951** ECSC (European Coal & Steel Community)
- **July 1951** Western powers declared the state of war with Germany to be over
- **February 1955** Member of WEU (Western European Union)
- **May 1955** GFR becomes a fully sovereign state and a member of NATO
- **1957** Treaty of Rome and Founder Member of the EEC (along with Belgium, Netherlands, Luxembourg, France and Italy)

The above began as an attempt to contain the German threat and grew into a strong German economy and a pillar of European integration – contrasting with the declining power and European influence of Britain. **Seldom in history has a defeated power recovered so quickly.**

GFR's major trading partners were the EC countries. While West Germany was a major contributor to the EC budget, there were certain political benefits to be gained from her role:

- *A stress on European Integration emphasised a willingness to cooperate rather than a threat*
- *It played a role in forging a sense of identity for West Germans after the WW2 defeat*

Integration had opposition in both West and East Germany. The Western Alliance insisted on NATO troops in West Germany where there was widespread opposition to remilitarisation.

### ***The East***

The USSR saw the Western integration of the GFR as a threat.

1952 may have been a lost chance of reunification. During the Paris-Bonn European Defence Community negotiations a note was received from Stalin which stated in return for abandoning the West German rearmament process, he proposed a **united, neutral, unoccupied** Germany. Stalin's motives were debatable! The West declined the offer! Stalin feared the Western Military Alliance.

### ***1953 – 1961***

Stalin's death in 1953 and the end of the Korean War in June brought the first phase of the Cold War to a close. Whilst neither the East nor West ceased to accuse each other of aggressive designs, dialogue between them did at least recommence. In January 1954 the four foreign ministers (US, Britain, France and Soviet Union) met in Berlin to discuss Germany. Molotov repeated the reunification proposals first advanced in 1952 but the West was deeply suspicious of the GDR and:

- *Insisted on UN supervision of elections*
- *Was confident that the numerically superior GFR would opt for the Western Alliance*
- *Insisted a reunited Germany had complete freedom of action*

The talks failed, Russia restored sovereignty to the GDR and withdrew the Soviet High Commission.

The GDR then entered into an economic/military alliance:

- *COMECON – Council for Mutual Economic Aid – more loosely structured than the EEC*
- *Warsaw Pact – Warsaw Treaty Organisation 1955 – including the GDR's National People's Army. The frontier/transport police from 1947 had always been more like soldiers. In 1952 most were turned into a People's Police and stationed in barracks.*

No progress towards unification was made when the heads of state met in Geneva in May 1955 or when the Foreign Ministers met later in the year. By 1959 the four powers had abandoned hope of reunification.

In November 1958 Khrushchev demanded that the Western Powers signed a Peace Treaty with the two Germanies. To compel them he applied pressure at their weakest point – Berlin – a crisis that rumbled on until 1962.

After Russia announced in 1957 that it had tested an Intercontinental Ballistic Missile, the Americans redoubled their efforts to maintain their nuclear superiority. They persuaded NATO to station missiles in Europe targeting the Soviet Union. Alarm at the prospect of missiles on German soil may have prompted Khrushchev to use Berlin as a lever to force the West to rethink their strategy. Other pressure may have come from his conservatives wanting a tougher policy/international recognition of the GDR. Over Berlin Khrushchev argued:

- *A Peace Treaty with GDR and GFR was long overdue*

- *If the West failed to respond in 6 months Russia would sign one with the GDR*
- *Agreement or forfeit their occupation rights*
- *West Berlin would become a demilitarised city and access would be controlled by the GDR*

The 6 month deadline moved forward because Khrushchev did not want a war over Berlin and he carefully avoided a repetition of the Berlin Blockade. Eventually, Kennedy met Khrushchev in Vienna in June 1961 – Khrushchev renewed his threat setting December 1961 as his new deadline. Kennedy took a tough line calling Berlin “**the greatest testing place of western courage**” which America would defend “**at all costs**” (not to be confused with JFK’s more famous “Ich bin ein Berliner” speech 2 years later!). He ordered a rapid build-up of conventional forces in Europe and called for extra military expenditure to guarantee a convincing non-nuclear response to Russian ambitions. As the international crisis deepened in 1961 the GDR faced a serious economic crisis:

- **Drain of professional people/skilled workers to the West accelerated**
- **In 6 months 100,000 had fled – 3m had gone since 1945**

On 13 August the GDR decided to build a wall physically dividing East from West Berlin – ostensibly to prevent “spies and diversionists” from entering their capital city. This was a desperate attempt to prevent the collapse of the GDR economy. The West protested at this dramatic action which revealed the bankruptcy of the Ulbricht regime. However, the GDR avoided interfering with western access routes to Berlin and therefore, the crisis failed to escalate. Kennedy offered to negotiate on Berlin (without weakening the West position) and Khrushchev seized the chance to cancel his earlier deadline and the crisis ended. The division of Germany had been finalised for the time being. And so to the final map on the following page:



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