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Norway's Efforts to Control the Money Supply

Robert W. Bean

Last September Norway undertook an extensive program for regaining control over the supply of money. German occupation and Quisling administration expenditures, financed by Norges Bank, had raised the total of deposits and notes in circulation from 3.6 billion to 9.8 billion kroner, i. e., by more than 170 per cent. Despite this increase of money, legal prices had been allowed to rise only about 35 per cent above 1940, and the black market ceased to be important after liberation. Norway's price level, therefore, was not seriously out of line with those of Sweden, Britain, or the United States. But there was little prospect of being able to remove price controls, even with the expected rise of production and imports, so long as the volume of idle cash was not reduced. Another evil of the money surfeit was the unwillingness of labor to work while its pockets were still full of cash for which little could be bought. By limiting individual cash holdings, the Government hoped to discourage voluntary unemployment.

The plan adopted was largely the work of Dr. Erling Peterson of Norges Bank, and was borrowed in part from the Belgian (October 1944) and Danish (July 1945) monetary reforms. Unlike the Belgian, the Norwegian plan did not aim at deflation, and so did not include such drastic provisions for the blocking of funds. But the Norwegian program was considerably stronger than the Danish, which did not block bank deposits at all and blocked currency holdings only for a short time. As in both Belgium and Denmark, provision was made for a capital or war-profits levy.

Effects of blocking currency and deposits

By the end of 1945, the total of notes in circulation plus free deposits amounted to about 8.5 billion, compared with 3.6 billion prior to German occupation, 9.8 billion at the time of liberation, and 9.6 billion kroner just prior to the blocking operation.

This modest record gives no indication, however, of the volume of currency and deposits originally blocked. In fact no figure exists, for none was computed. The funds blocked were treated in two different ways: certain portions were assigned to a so-called National Deposit Account which became a liability of Norges Bank; other portions were blocked on the books of the private banks. It was intended that the latter should be released first, but release dates were indefinite in both cases. No attempt was made to compute the amount of funds blocked outside the National Deposit Account. They included, however, about 90 per cent of each individual time deposit,^{1/} and 30 per cent of each individual demand deposit above the first 800 kroner, as well as a minor portion of currency holdings. The total was undoubtedly very large, perhaps as much as 3.5 billion kroner, or 36 per cent of currency and deposits prior to the operation. In the National Deposit Account (which received about 40 per cent of each individual's currency holdings, plus 40 per cent of each individual demand deposit above the first 800 kroner), 1.2 billion kroner were originally blocked, an amount equal to only 12-1/2 per cent of total currency and deposits prior to the operation.

Thus it is possible that nearly 50 per cent of total notes and deposits was originally blocked, a record which could be compared with the 63 per cent originally blocked in Belgium. The bulk of this amount was outside the National Deposit Account, and the ultimate effect of the blocking program was therefore largely dependent on timing the release of such funds.

To the surprise of the public, on November 30 the Ministry of Finance released all blocked funds outside the National Deposit Account, plus a minor amount from the National Deposit Account. This action drew an immediate protest in the press from Dr. Petersen, who stated that it meant abandonment of the most valuable part of the program.

The result was that three months after the program was undertaken Norway's money supply amounted to fully 88 per cent of what it had been prior to the undertaking. On March 9 of this year, further releases were made from the National Deposit Account, but the total amount involved has not been reported.

^{1/} The actual rule for blocking time deposits was less simple: the amount remaining after release of either 800 kroner or 10 per cent of the total deposit up to 10,000 kroner.

Probable effects of the impending capital-gains levy

In both Belgium and Denmark, a capital levy was made part of the money-control program, and it was planned that the proceeds should be permanently extinguished by applying them against book-claims on Germany. This was likewise the original intention in Norway, where the Germans left an unpaid overdraft at Norges Bank amounting in July 1945 to 8.2 billion kroner (an additional 3.4 billion having already been paid off by the Norwegian Government and Clearing Institute). Preparation for imposing a capital-gains levy was made last September when holdings of real property, valuable chattels, money, securities, and other financial claims had to be declared as of September 1945 for comparison with the last pre-war assessment (probably January 1940). Early this year the Government placed before Parliament a bill which would take in taxes up to 95 per cent of an individual's capital gains during the period covered. Final payments would be required within nine months after the tax was levied, and could be made in the form of blocked currency or deposits.

Now, however, there appears to be little prospect that a reduction of the money supply will result from any capital levy imposed. The special committee which drew up proposals for the capital-gains levy recommended that the proceeds should not be applied against the German overdraft, but should instead be used for establishing special funds for purchase of supplies and capital equipment needed for reconstruction.^{1/} Thus, not only would the opportunity to absorb additional amounts of purchasing power be lost, but nearly all the funds still blocked in the National Deposit Account would be released to the Treasury in payment of the tax, and returned by Treasury expenditures to the public.

If this recommendation were accepted, it would still be true that as long as the funds were not expended they would constitute a reduction of the money supply, and this period could be relatively long. Presumably, the bulk of reconstruction purchases will be made in the next two years, while consumer goods are still short, and the volume of surplus money still great. To the extent that the Government buys goods or foreign exchange from Norwegian suppliers, the funds will be returned to the public. But if the Government buys abroad on foreign credits, and regards the proceeds of the capital-gains levy as a kroner sinking-fund for repayment of the foreign credits, the funds will be withheld from the public. In this way, borrowing abroad would actually serve to hold down the domestic money supply, as well as to increase the supply of goods.

The same effect would be obtained if the Government were to sell domestically the supplies purchased abroad on foreign credits, and to enter the proceeds into kroner sinking-funds for repayment of the credits obtained abroad. If, however, such credits were obtained by private importers, there would be no guarantee that a corresponding amount in kroner would be immobilized.

^{1/} Final decision on this issue will be made by the Parliament. The former Governor of Norges Bank, Mr. Rygg, and the present Governor, Mr. Gunnar Jahn--both members of the committee--opposed the recommendation. The Minister of Finance, Mr. Erik Brofoss, sided with the majority.

Reasons for partial abandonment of the program

It is doubtful that the Government is interested in further reduction of the money supply, despite the fact that it now stands at 236 per cent of the April 1940 figure. Official explanation for the release of blocked funds last November was that partial releases were being made day by day to meet special needs, and that this steady encroachment justified releasing all such funds. The logic of this is less compelling than the fact that the Government was about to embark on an extensive program for refinancing its internal debt at much lower rates. The refinancing program has been very successful and is still continuing. It is hardly likely that the same degree of success would have been obtained had the blocked funds not been released.

It is claimed that the surplus of money is no longer dangerous. The amounts still blocked in the National Deposit Account represent a skimming-off of individuals' cash funds, and the remaining surplus is said to belong primarily to business firms, which will not try to bid for consumer-goods. Such firms are waiting for imports, or foreign exchange with which to buy imports, and one or the other will be rationed by the Government at fixed prices. Consequently, it is expected that the large cash reserves of business firms will not add appreciably to Norwegian money incomes in the immediate future.

This analysis may be correct. The cost-of-living index (based on 1938) had through January 1946 risen only two points since Norway's liberation, and black-market operations continued to be unimportant. This may be evidence that individuals no longer commanded large holdings of surplus cash. Or it may only be evidence that the money-control measures undertaken last September have had reassuring effects on the public.

Two factors will operate to increase the money supply: the impending release in kroner equivalent of the foreign exchange earnings accumulated by the merchant fleet (Nortraship) during the war, and continuing budget deficits. The total war-time earnings and insurance-recoveries of Nortraship amounted to roughly the equivalent of 2.3 billion kroner. It is likely that the greatest portion of this will be used by the shipping companies for the repurchase of foreign exchange with which to buy ships. The budget deficit for the year ending June 30, 1946, will be about 870 million kroner, which will certainly add to consumer purchasing power. It is quite possible that self-imposed restraint by the public will enable Norway to avoid severe inflation despite the money surplus which still exists, but still unlikely that price controls can be removed for several years.

Legislation Enacted for Aid to the Philippines

Toni Giese

In anticipation of the coming independence of the Philippines, effective on July 4, two bills are now awaiting the signature of the President before they become law. The Rehabilitation Act is intended to help set the war-devastated Philippine economy back on its feet by making available substantial sums of money which will be used for compensating both the Philippine Government and private individuals for losses and damages resulting from the war, and for repair and improvement of public properties and public services. The Philippine Trade Act is designed to ease the abruptness of the transition of the Islands from the status of a possession to that of an independent republic. The Act establishes a framework for trade relationships between the United States and the Philippines for a period of 28 years. During the first eight years, trade between the two countries will remain duty-free; it is felt that that length of time will be required for the Philippine economy to return to normal.

The Philippine Rehabilitation Act, introduced by Senator Tydings on November 19, 1945, was passed by the Senate on December 5 and sent to the House Insular Affairs Committee. On April 10, it was passed by the House as amended and sent to a Senate-House conference committee. The conference version was passed by the House on April 18 and by the Senate on April 19. The primary purpose of the Act is to provide compensation to private owners of property in the Philippines for physical losses or damage resulting from military action or action of the Japanese occupation authorities. Payments will be authorized by the Philippine War Damage Commission from an appropriated fund of 400 million dollars. Compensation may be made in cash, or by furnishing property of similar kind, or by arranging for repairs and rebuilding. United States surplus property, wherever located, may be made available (under Executive Order) to the Commission for this purpose. Similarly, property received in reparations from Japan may be transferred to the Commission. Cash payments will be made as a rule only after or during the course of rebuilding, repair, or replacement, but under certain circumstances may be made contingent merely on productive reinvestment of the proceeds in the Philippines. Under the original Senate bill, claims of Chinese or other foreign nationals would not be approved, but the bill as amended extends the coverage to foreign nationals whose Governments grant reciprocal war damage payments to American residents.

The Act also provides for transfer of United States surplus war property now in the Philippines to the Philippine Government. The bill as originally passed by the Senate provided for transfer to the value of 30 million dollars, while the accepted House amendment provides for 100 million dollars and allows transfers to provincial and municipal governments as well. In addition, 120 million dollars is authorized to be appropriated for the restoration and improvement of public property and essential services such as public roads, port and harbor facilities, public buildings, and public health facilities. Work of this type may be carried out by the Federal Works Agency, the Army Engineers, or the Public Health Service of the United States, or by Philippine authorities. Moreover, additional sums are to be appropriated for the development of inter-island commerce, inter-island air navigation, weather information,

Philippine fisheries, and coast and geodetic surveys. Technical training in these fields will be provided by the United States Government to certain numbers of Philippine citizens.

Total destruction of property in the Philippines has been estimated by the War Damage Commission to amount to about 800 million dollars as follows:

Private properties	\$464,420,000
Public property	195,347,595
Church properties	139,000,000
Vessels and watercraft	20,000,000
	<u>\$818,767,595</u>

The Rehabilitation bill in its original form provided for 480 million dollars to cover these losses and finance public improvements, while the House amendment provided for 625 million dollars. The following table shows the appropriations as passed by both Houses:

	(In millions of dollars)
Compensation of claims	400
Transfer of surplus property	100
Restoration and improvement of public property	120
Restoration and improvement of U.S. property	5
Total	<u>\$625</u>

Private claims will be met only up to 500 dollars each until a trade agreement between the Philippines and the United States is signed. Thereafter, the available funds will be prorated among claimants according to the size of their claims in excess of 500 dollars.

While the Rehabilitation Act is designed to facilitate solution of the comparatively short-run problems of reconstruction, the Philippine Trade Act outlines a long-range program for gradual elimination of the special trading relationships now existing between the United States and the Philippines with a view to integration of the latter's economy into the world trading system. The Philippine Trade Act was introduced in March by Congressman Bell and sets forth in great detail provisions for the regulation of trade between the United States and an independent Philippine nation. Various bills attempting to establish such a relationship had been put before the Ways and Means Committee. After several months, these were superseded by the present bill which was passed by the Senate as amended on April 17 and by the House on April 18.

Because of the pressing need for interim trade arrangements after July 4, when present relationships between the United States and the Philippines would normally cease, the major provisions of this Act are to become effective the day after its enactment. Continued operation of the regulations, however, will be dependent upon conclusion of an

executive agreement between the Presidents of the two countries. The agreement must, by virtue of provisions in the legislation, commit the Philippines to certain obligations set forth in the Act. The President is authorized to suspend the operation of the Philippine Trade Act if the agreement is not entered into within a reasonable time or if the Government of the Philippines does not substantially meet these obligations even before the agreement has taken effect. The agreement itself must provide for termination or suspension in case of any discrimination against United States citizens.

The principal provision in the Act is the establishment of duty-free trade in all commodities for an eight-year period, ending July 3, 1954; duties will thereafter increase gradually during the next twenty years, so that by 1974 the Philippines will be subject to the full tariff rates charged all foreign countries except Cuba (which pays 20 per cent below the general level on all commodities except one or two specialized items). In this way, the immediate severance of preferential trade relations with the United States will be avoided and the adjustment of the Philippine economy to separation from the United States will be cushioned. As it stands now, the Act assures for the near future virtually the same trade relationships that are in existence at the present time.

Absolute quotas are established by the Act on United States imports of Philippine sugar, cordage, rice, cigars, scrap tobacco, coconut oil, pearl and shell buttons. The quota on sugar has been most controversial, and has been revised from the 850,000 short tons allotted in the House bill to 952,000 short tons (850,000 long tons) as amended by the Senate. The following table shows a comparison of pre-war quotas with those proposed in the Trade Act:

Philippine Articles Subject to Quota

	<u>Future Quota Rates</u>	<u>1939 Quotas</u>
Sugar	952,000 short tons	850,000 long tons
Cordage	6,000,000 pounds	4,000,000 pounds
Rice	1,040,000 pounds	None
Cigars	200,000,000	200,000,000
Scrap and filler tobacco	6,500,000 pounds	4,500,000 pounds
Coconut oil	200,000 long tons	200,000 long tons
Pearl or shell buttons	850,000 gross	850,000 gross

Throughout the period covered by the Act, the absolute quotas will remain in effect on all the items listed above; tariff treatment on these products, however, will not be uniform after the first eight-year period. Tariffs on imports of sugar, cordage and rice (and on all commodities not subject to quotas) will begin on July 4, 1954, when 5 per cent of the lowest rate charged by the United States will be levied. The tariff rates will be increased by 5 per cent each succeeding year until January 1, 1973. From that date until July 3, 1974, imports will be dutiable at 100 per cent of the lowest United States duty accorded to any foreign country, which at present is Cuba. Thereafter, the duty

will be the same as the general rate. In the case of cigars, scrap and filler tobacco, coconut oil, and pearl buttons, the other items upon which quotas have been placed, the duty-free quotas after 1954 will be reduced by 5 per cent annually, starting in 1955, from the base amount of the absolute quotas. Imports over and above the duty-free quotas, but within the limits of the absolute quotas, will be subject to the lowest duty assessed by the United States. For Philippine quota exports to the United States, provisions have been made for the allocation of individual quotas to various growers and manufacturers on the basis of pre-war shipments. These provisions are defended as offering encouragement to pre-war interests to return to the Philippines, but Philippine citizens fear a policy of commercial exploitation will be the result, and the provisions have therefore been the object of much opposition in the Islands.

There is a second way in which domestic interests are protected from the competition of Philippine commodities. The bill specifically provides that if the President finds that any Philippine items, other than those for which quotas have been established, come or are likely to come into substantial competition with like articles produced in the United States, he may establish quotas for the total amount of such articles which may be imported.

Obligations to be fulfilled by the Philippines include tariff treatment for American goods similar to that granted Philippine goods by the United States, prohibition of export taxes on exports to the United States, maintenance of the fixed relationship of the peso to the dollar, and avoidance of discrimination between United States and Philippine goods as to internal excise taxes or between United States and Philippine persons as to rights to develop Philippine natural resources. The Philippines must also grant certain immigration rights and quotas for United States citizens. These provisions have been vigorously attacked in high quarters in the Philippines as a "curtailment of Philippine sovereignty and a virtual nullification of Philippine independence." The United States in turn will promise to keep the tariff and quota provisions in effect until 1974, charge no higher taxes on Philippine commodities than on similar items produced in the United States or any other country, require no processing tax on manila fiber not dressed or manufactured, and levy no export taxes on goods exported to the Philippines.

A special clause states that the benefits of this Act are not to apply to any other country. It is presumably hoped that because of the special nature of United States-Philippine relationships the Act will not be regarded as a violation of the most-favored-nation treaties between the United States and certain foreign countries.

Changes in Brazilian Exchange Control Regulations

Harold Wexler

The Brazilian Government, in a Decree-Law promulgated on February 27, 1946, has made several significant modifications in its exchange control regulations. The most important effects of this Decree-Law are:

1. Foreign investors are granted certain qualified guarantees with respect to the repatriation of their investments and earnings;
2. Exchange purchases for purposes of capital export, interest and dividend remittances, and other non-trade needs can henceforth be made at somewhat more favorable rates;
3. The effective rate at which foreign exchange can be purchased has been slightly lowered as a result of a reduction in the tax on such purchases;
4. Exporters are permitted to sell their exchange proceeds at a slightly higher effective rate as a result of a decrease in the percentage of such proceeds that must be sold at the official rate.

Brazil introduced exchange control on September 29, 1931. At that time, the Bank of Brazil was given a monopoly of exchange transactions and was authorized to regulate buying and selling rates. Other banks were, however, permitted to buy and sell foreign exchange, but only under conditions established by the Bank of Brazil.

Apparently in an attempt to encourage foreign investment of capital in Brazil, the new Decree-Law guarantees foreign investors the right to withdraw up to 20 per cent annually of the registered value of their investment. The registration of foreign capital investments is to be made with the Exchange Department of the Bank of Brazil. This guarantee means that a given registered capital investment could be entirely withdrawn over a period of five years. The Office of Currency and Credit has the power to lengthen the period, however, if conditions in the exchange market make this step necessary. Foreign investors are also guaranteed the right to purchase foreign exchange for remittances of interest, dividends, and profits. These purchases will not be permitted to exceed 8 per cent of the registered capital, however, and any amount over and above this percentage will be considered to be a remittance of capital, and will be applied against the percentage allowed for such purpose. It is reported that American and British businessmen in Rio de Janeiro think that 8 per cent is not adequate in a country in which the yield on capital is very high, particularly at the moment. They point out that the prevailing local money rates alone are now 8 per cent and even higher.

The guarantees with respect to capital exports and remittances of earnings refer, in each case, to a percentage of "registered capital." The Law does not, however, explain the conditions which will be attached to the registration of capital. The failure to be explicit in this respect is said to be causing some concern among foreign investors in Brazil.

In addition to the usual "official" and "free" exchange rates, Brazil has had a third rate, the "special free rate" which was even higher than the regular free rate. These special rates applied to purchases of exchange from tourists and other travellers and to sales of exchange for financial remittances and other non-trade purposes. The special free rate has now been abolished and the transactions formerly effected at this rate are henceforth to take place at the regular free rate. The chief effect of the abolishment of the special free rate will be to permit foreign investors to transfer profits or export capital at a slightly more favorable exchange rate than before.

All non-bank purchases of foreign exchange were formerly subject to a tax of 5 per cent, the proceeds of which were credited to the account of the National Treasury to form an exchange fund. This tax has now been reduced to 3 per cent, thus slightly lowering the effective cost of foreign exchange for all purchasers.

Until now, 30 per cent of all export proceeds had to be sold to the Bank of Brazil at the official rate of 16.50 cruzeiros per dollar and only the balance could be sold at the higher free market rate of 19.30 cruzeiros per dollar. The recent Decree-Law provides that henceforth only 20 per cent of export proceeds need be sold at the official market rate. In effect, this is equivalent to giving exporters a price increase of 1.7 per cent, in terms of domestic currency. Although this increase is very small, it may have been made to help exporters to meet rising domestic costs.

While the reception of the new exchange regulations in Brazil was originally enthusiastic, opinion has since adopted a more cautious attitude. The effects of the regulations will depend to such a large extent on their interpretation and application that it is very difficult to speculate about their probable influence in encouraging further foreign investment in Brazil.

THE GERMAN POLITICAL SITUATION AT THE BEGINNING OF 1946

Part I. The German Political Situation in Berlin

1. The political parties
2. The problem of the unification of the two workers' parties
3. The trade unions
4. The present leadership of political and labor organizations
5. The political pressure of the Russian Military Government
6. The mental attitude of the people in Berlin
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8. Some remarks relating to the political situation in the Eastern Zone and the future political development in Germany

Addendum: Recent developments concerning the merger between the S.P.D. and the K.P.D. in Berlin up to April 14, 1946

Note

This is the first of two reports prepared by Dr. Herberg on the political situation in Germany. Part two, dealing with the situation in the American Zone, will appear as a supplement to the next issue of the Review. While the subject-matter of these reports is almost exclusively political, the ultimate political organization of Germany will, of course, have widespread economic consequences for Europe and the world.

The attached report is based on observations made in Berlin during the period December 23, 1945, to February 5, 1946, and on a short trip to Leipzig taken during this period. Dr. Herberg spoke to many leaders and members of each of the different political parties and of the trade unions and, in addition, to numerous persons not associated with any political party. Many of the people to whom he spoke he has known for more than twenty years.

The German Political Situation in Berlin

Paul Hermsberg

1. The political parties

After the occupation by the Russians, only four political parties were allowed to be reestablished in Berlin; in the Eastern Zone these parties are united in the so-called "antifascist front."

a) The Liberal Democratic Party (Liberal-Demokratische Partei). This party represents the right wing. It was organized by a small group of former representatives of the Democratic Party which, after a remarkable early development subsequent to the last world war, had shrunk to a small group during the Weimar Republic. The new party has met with little approbation and is alleged to be representative of private business interests.

b) The Christian Democratic Union (Christlich-Demokratische-Union). When the Union was formed, following the collapse of Germany, it was contemplated that it would acquire all antifascist forces' right of the Social Democrats. The leader was Dr. Hermes, a well-known former representative of the Catholic-Center Party. Soon, however, disagreement originated because Hermes refused to support the agrarian reforms in the Russian sector. Under Russian pressure, the district leaders of the Russian Zone withdrew their support from Hermes and he resigned. Since then, the Christian Democratic Union in Berlin has become more and more dependent on the trade unions, of which it forms the right Catholic wing.

c) The Social Democratic Party (Sozialdemokratische Partei Deutschlands). When the reopening of political parties was allowed by the Russian Occupying Powers, a Central Committee of the S.P.D. was established in Berlin by a few well-known representatives of the old S.P.D. The members of the Committee were selected very carefully to avoid the disapproval of the Russian Military Government. In addition, it was agreed that no persons charged with responsibility for policies which ended with the collapse of the Weimar Republic should be placed in positions of leadership. Some of the old leaders voluntarily gave up their positions in the first ranks. Former Reichstag president Lobe--one of the most respected persons in German political life before 1933--stated: "We certainly made big mistakes in the leadership of the S.P.D. in the past, as was proven by the events. We should therefore not stay in the first ranks but serve as secondary men in secondary positions."

The members of the Central Committee are well aware of the more or less arbitrary way in which they were chosen and all of them have declared many times that they are willing to leave to the members the definitive decisions as to future leadership of the party. In fact, today the influence of the Committee is limited to the party groups in Berlin and in the Russian Zone. After some disagreements with groups in Western and Southern Germany, the Berlin Central Committee declared it did not intend to interfere in decisions of these zones.

Nevertheless the Committee regards itself as the preliminary head of the Social Democratic Party for the whole of Germany.

Without doubt the S.P.D. has the largest number of followers among the political parties in Berlin. The leaders, however, know that many of the followers are not staunch members, that the S.P.D. will have to fight hard to defend its leading position in Berlin, and that it will probably be impossible to hold its present position in the Russian Zone if a definite agreement can not be reached with the Communist Party. (This subject is more fully discussed below.)

Criticism of the S.P.D. centers mostly on its relation to the Communist Party. The "bourgeoisie" declare: "The S.P.D. is too much under Communist Party influence and much too amenable to Russian pressure. Shortly it will be taken over completely by the Communist Party." The workers argue: "The S.P.D. is directed by old party bosses, who do not understand that times have changed. They will repeat the mistakes of 1918 and prevent unification of the worker parties because of old prejudices against the Communist Party.

d) The Communist Party (Kommunistische Partei Deutschlands). The K.P.D. is much more strongly organized than any other political party. A complete party machine was set up for Berlin and the Eastern Zone simultaneously with the occupation. In contrast to the leaders of the other political parties, most of the K.P.D. leaders came from Russia, where they had stayed during the war as refugees and where they were trained systematically for their present tasks. It is difficult to say whether, and to what extent, the K.P.D. is really an independent German party--as it pretends to be--or one which takes orders from Moscow, as it did before the war. I did not speak to any German not a member of the K.P.D. who believed that the K.P.D. is really independent. Nevertheless the fact should not be overlooked that the Russian Government strongly favors the unification of the K.P.D. and the S.P.D. although it probably would never control a united new party to the same extent as it can control the K.P.D. today. The opposition of the great majority of the population against the K.P.D. is certainly based on the fact that for them the K.P.D. means Russia. This belief is the reason why the unification of the two parties may become the central question in the political reconstruction of Germany.

2. The problem of the unification of the two workers' parties

The unification of the labor parties is an old dream of German workers. Since the splitting of the old S.P.D. during the first World War, unification has been attempted many times but never attained. Most of the German workers I spoke to are convinced that the Nazis never would have risen to power and that the annihilating second World War might have been avoided if German labor had not been split into the S.P.D. and the K.P.D. They favor a unification of the workers' parties today, at least in principle. Nevertheless, there is a great deal of disagreement as to the methods and the timing of unification.

Shortly after Germany's collapse, the new leaders of the S.P.D. in Berlin began negotiations with the K.P.D. leaders for unification of the two parties. The K.P.D. leaders, overestimating their own strength, showed no interest in the project at that time. Only when it became clear to them that the S.P.D. was backed by a majority of the Berlin workers did they begin to press for unification, using all possible means and especially the powerful support of the Russian Military Government. Should the two parties become united today, an equal number of seats in the executive committee would probably be occupied originally by each party. The S.P.D. leaders, however, are afraid that before very long the K.P.D., with the help of the Russians, would manage to achieve a majority. Once the K.P.D. was in possession of the leadership, it would be virtually impossible to change the position by democratic means. In addition, the situation in the Western Zones must be taken into consideration. Although the unification of the two parties might be achieved in a satisfactory manner in Berlin and in the Russian Zone, the S.P.D. in the Western Zone might not follow the example thus set and a new split in the workers' front would be the consequence. This split would be more dangerous than the existing one because it would involve an ideological and a regional separation at the same time. In the light of these considerations, the leaders of the S.P.D. reached the following decisions:

- a) The old dream of the united workers' front has to be realized if the workers are to exercise their share of influence in the new Germany.
- b) At the present time, however, unification can not be carried through because the share either party is supposed to have in the leadership cannot be determined by democratic means and, furthermore, there is no guarantee against a dictatorship by the K.P.D.
- c) Therefore, at the present time, only a working agreement between the two parties can be established. The final form of unification will have to be established later by a general party convention for all of Germany.

When the preliminary unification agreement between the S.P.D. and K.P.D. was concluded, there was strong opposition to it among the Berlin population, especially outside the Russian sector. Although opposition was based in large part on inaccurate understanding of the real meaning of the preliminary working agreement (which had been misinterpreted by many papers), it was also based on the unpopularity of the K.P.D. The following reasons have been given for this unpopularity:

- a) The behavior of the Red Army during the early days of the occupation of Berlin is not forgotten. People are convinced that Communism means a low level of civilization. "Look how they behaved. They have to steal everything because they have nothing." This reasoning may be very superficial and the conception of Russian Communism quite wrong, but the reaction of the Berlin population is the same whenever it has come in touch with the conquering Red Army. After longer contact, most persons agree that the individual Russian soldier is on the whole a kind and harmless farmer boy. Nevertheless, the Berlin people have little or no understanding of the Russian way of life.

b) "We don't want to exchange the Nazi dictatorship for a new one which has only another name." The insistence of the K.P.D. that it is a German party and its occasional nationalistic behavior are not regarded as convincing. Germans think of the K.P.D. as a Russian party not so much because of its policy as because of its dictatorial approach and its reliance on Russian military power.

Opposition against union with the K.P.D. appears to be stronger in Berlin than in those areas I visited in the Russian Zone, e.g., Leipzig, which were not conquered by the Red Army but were taken over from the Americans. Reports from other parts of the Russian Zone contradict each other sharply. It is my impression that the K.P.D. finds favor especially with the younger members of the S.P.D. in the Russian Zone. In fact, many of these appear willing to go further than is provided in the working agreement of the Berlin **executive** committee. They wish to accomplish complete unification at once. The reasoning of these people is as follows: "Today the working class has the political power in its hand. Nevertheless, we know that the situation will change and the counterattack of reaction will come as it came in 1918. We have to be prepared for that. The united front of the proletariat has to be established at once. We cannot wait for a general German party meeting. If the Western Zones remain behind because of the pressure of the capitalistic powers, we in the East must act as the advance guard of the proletariat. To wait means to play into the hands of the reactionary forces."

Taking the whole situation into consideration, it is my impression that the working agreement of the Berlin executive committee represents the minimum of unification in relation to the demands of the Eastern Zone, but the bearable maximum in relation to feelings in the Western Zone.

The possibility of contradictory political developments in Eastern and Western Germany came out into the open for the first time when the question of unification of the S.P.D. and the K.P.D. became active. For the moment, the danger **does not appear imminent** as action seems to be paralysed by the dilatory tactics of the Berlin S.P.D. executive committee. Nevertheless the problem is not solved. Without any doubt, the K.P.D. does not intend to wait for a general German party meeting. Well-informed circles predict that unification will be forced, at least in the Russian Zone, before the first of May. In view of the weakness of the German population, the S.P.D. in the Russian Zone will probably not be able to resist the pressure of the administrative machine, which may be used cleverly and unscrupulously.

3. The trade unions

The new united trade unions organization, the F.D.G.B. (Freier Deutscher Gewerkschaftsbund - Gross-Berlin), represents a re-organization of the former association (Gewerkschaftskartell) between the Socialist trade unions (A.D.G.B., i.e., Allgemeiner Deutscher Gewerkschaftsbund), the Christian trade union (D.G.B., i.e., Deutscher Gewerkschaftsbund), and the liberal trade unions (Gewerkschaftsring deutscher Arbeiter - Angestellten und Beamtenverbände, Hirsch-Dunkersche Gewerkschaften). The new body is no longer an association but a unified

organization. The new trade unions are organized in general as industrial rather than craft unions. The relationship between the individual unions and the central organization is not yet clear.

The new central executive committee (Verstand) was composed originally of three Communists, three Social Democrats, and two Christian Democrats. The Russian Military Government had to approve the leaders and it happened that one of the three Social Democrats became a Communist after he had been nominated. Consequently the Communists had four votes and could not be overruled. In addition, the influence of the K.P.D. members is strengthened by the fact that the Russian Military Government can veto any decision of the executive committee.

The first trade union meeting of Greater Berlin (Gowerkschafts-Konferenz Gross-Berlin), held at the beginning of February 1946, was composed as follows: K.P.D., 312 representatives; S.P.D., 226 representatives; C.D.U., 3 representatives; L.P.D., 1 representative, no party affiliation, 17 representatives. The representatives were elected by district meetings of shop representatives, who were themselves chosen by elections in all Berlin shops in January 1946. The results of the elections were strongly influenced by the special shop election system introduced by the K.P.D. majority of the executive committee of the trade union and approved by the Allied Military Government. Many people think the system will become the pattern favored by the K.P.D. and the Russians for all future elections. Therefore it is worthwhile to analyze it briefly. The system prescribes, for each shop, one list of candidates with no reference to the party to which they belong. Each shop has to elect one representative for each--say--50 of its workers, who are members of the union. That means, for example, a shop with 150 workers has to elect three representatives and each worker votes for three of the candidates nominated. The three candidates who get the most votes are elected. In a plant with only 50 workers, each worker would vote for only one candidate and only one would be elected. This system gives an enormous advantage to a strongly organized minority. In the shop of 150 workers, for example, a minority of 50 workers might gain all three representatives.

On the basis of the results of the election, the K.P.D. could have taken over all seats in the directing committee which was elected by the trade union meeting of Greater Berlin. The K.P.D., however, agreed to the following representation on the leading committee: K.P.D. - 14 members, S.P.D. - 13 members, and C.D.U. - 3 members. The executive committee will consist of 4 K.P.D., 4 S.P.D., 1 C.D.U. full member, and 1 C.D.U. member without vote. This somewhat generous action of the K.P.D. may be a sign that it has more farsighted political intentions than simply a "monopoly of labor organizations." Suspicious people, however, say: "They will show the bill later."

4. The present leadership of political and labor organizations

After the occupation of Germany, new political organizations did not grow from small groups of interested people who discussed political questions and formed new political programs; political organization was started once again by former political leaders of the respective parties with the consent of a smaller or larger number of former members who could be reached. It has been charged that--lacking this free growth from the bottom--the present organizations are not truly democratic. The leaders, however, maintain that, in order to reorganize a completely broken down social system, one cannot wait for a new organization to be born and developed in the normal slow historical process; it is necessary to accept the old framework without asking for a democratic decision of the members and to nominate the first leader without a democratic election. The important thing, however, is that the form of organization should guarantee the controlling voice of the members and that the temporary leaders will not exercise dictatorial authority. Before long the old organizations will be filled with new democratic life. In addition, the non-Communists add: if the former leaders had not reopened the old democratic organizations promptly, the Russians would have set up a united communist labor front and a later change to democratic procedure would not have been possible.

5. The political pressure of the Russian Military Government

Nearly everyone with whom I spoke agrees that the Russian Military Government exerts a decisive influence upon political life in Berlin and in the Eastern Zone. In Berlin, the influence is moderated somewhat by the presence of the three other occupying powers, but strong control over all political organizations is still felt. Some examples of pressure may be given:

a) According to persons involved, the original revival of both the trade unions and the political parties developed under strict control of the Russian Military Government, which had to agree to the composition of the executive committees of the new parties. Several leading persons have since had to resign under Russian pressure (Hermes, Waldemar, Koch, and others).

b) A frequent complaint is that the administrative machine is handled so as to favor the K.P.D. The direct participation of Communists in the German administrative bodies of both Berlin and the Russian Zone is not overwhelming, but the Russians hold the German administration under strict control.

c) Censorship is handled in such a way as to suppress or at least to delay the publication of reports or news which may be disadvantageous to the K.P.D. (e.g., reports relating to disapproval of the unification of the two labor parties).

d) The number of K.P.D. newspapers permitted bears no relation to the number of party members. Also, equipment and paper are allotted to the K.P.D. press in a much more generous way than to the press of other political groups.

e) The greatest pressure, however, probably consists not in the things which happen to people but in the fear that they may happen. People are afraid to incur the disapproval of the K.P.D. in the same way they were afraid to incur the disapproval of the Nazi party. Their fear may be exaggerated and unjustified; nevertheless, after 12 years of Nazi terror, it exists. Men disappear in Berlin and in the Russian Zone. Perhaps the Russians, and certainly the K.P.D., have nothing to do with this, but people believe they do. They are afraid the N.K.V.D., the Russian secret police, is involved, and rumors about a concentration camp in Usedom are common. Many of the men who are openly opposing the K.P.D. think that some time something may happen to them, especially if they are living in the Russian sector.

In the Russian Zone, the political pressure of the Russian Government apparently is much stronger and more effective than in Berlin. I was told, for example, that in a Thuringian town the Russian commander appeared at an S.P.D. meeting and announced that further S.P.D. meetings would be prohibited if the members did not pass a resolution in favor of unification of the K.P.D. and S.P.D. He threatened that he would have arrested a speaker who had argued against the unification if this man had not been from another town over which he had no authority.

Many people think the revitalization and development of the political organizations in Berlin illustrate a cleverly handled political campaign on the part of the Russian Government to concentrate all political power directly or indirectly in the hands of the political leaders of the K.P.D. In many cases, however, the facts do not support this interpretation. There may be other reasons for the behavior of the Russian Military Government in relation to the K.P.D., but a uniform political line is very difficult to discover. It may be that the Russians are prepared to sacrifice direct Russian control over the K.P.D. in favor of a strong German workers' party in which as many as possible of the leaders will be persons they trust.

6. The mental attitude of the people in Berlin

In view of the general disturbance of all normal living conditions, people have not yet been able to regain their balance of mind. They do not react in a normal way to the influences which affect them. In the completely destroyed center of Berlin--where most of the workers formerly lived--one may see people on whose gray faces there is an expression of hunted and cornered animals. In the outer districts of the town, the behavior seems more normal. Even here, however, the old people and the young prisoners of war who have just returned from the East show an expression of hopeless resignation and complete exhaustion. Most people, however, are again beginning to become more interested in the outside world. Naturally their greatest concern at the moment is food, warmth, and shelter. A conversation may start on any subject and before very long always comes back to these most primitive necessities of life.

Starving and freezing, without any possibility of building up reserves of strength, the people react to all influences with a nervousness only slightly controlled by long-trained discipline.

Tempers are lost on many occasions, such as during rush hours on the U- and S-Bahn. Throughout my stay in Berlin, I met men speaking about their experiences in an abnormal manner, excited at one moment, and deeply depressed the next. Using the last of their energy, people keep up the self-discipline to which they have been trained for years. Nobody, however, can say how long this can be maintained under present conditions nor what would happen should the people get to the point where they would react to the slightest annoyance. Under the influence of some new emotion, the state of mind of the people might change tomorrow and all the rational political decisions of today might be cast aside.

There is also evident a general hesitancy to make any decisions at all. The Germans feel themselves in the position of a prisoner at the bar who is expecting his sentence and who is not able to make decisions relating to his own future before he knows what that sentence will be. Again and again when someone is speaking about his plans, one may hear him cut short with: "However, nobody knows..." Or a woman says: "I always tell my husband not to repair anything. What do we need a repaired house for? One room is enough for us. Besides, let's wait and see." Or: "Why should he look for a job now. Nobody knows what will happen. Let him wait." As a matter of fact, uncertainty about the final decisions of the occupying powers regarding the future of Germany is the biggest obstacle to a new beginning--not only politically but as far as any reconstruction is concerned in Germany.

In spite of all the insecurity in the Russian Zone and the arbitrary actions of the authorities, the feeling that the general lines of development are fixed is much stronger there. Aside from propaganda, this feeling is probably one of the main reasons for the often heard belief that reconstruction is more advanced in the Russian Zone than in the rest of Germany. Of course, a large part of the people, I am informed, do not like the proposed plans and will not take them as final; nevertheless, people on the whole seem to be starting work in the prescribed pattern.

Americans have often wondered at the apparent lack of opposition to the occupying powers on the part of the German people. Actually, on the part of the Berlin population at least, the will and the strength to resist seem to have been exhausted. A woman, who opposed the Nazis up to the last moment and risked her life many times by helping Jews and political suspects, admitted frankly that she could not stand the thought of again expecting the secret police to knock at her door at any moment. The large majority of the people will not take the risk of opposing a strong power again, especially if its methods are similar to those of the Nazis. "If the Russians intend to rule the country by use of the K.P.D., we cannot stop them and we have to take it, even though we don't like it," is the kind of talk one hears frequently.

In summary, there are three outstanding characteristics of the mental condition of the population of Berlin:

a) People live in a state of nervousness, which is controlled to a certain extent by long-trained self-discipline. Nobody, however, can tell how they will react to an unexpected emotional stimulus.

b) The general uncertainty of the future prevents them from making decisions.

c) All strength and will to resist seem to have been exhausted--at least in a large majority of the people.

Political developments must be judged with these points in mind.

7. People outside of the political organizations

Until now, the parties have reached only the same circles which were touched by them in some way or other before 1933. These people know the leading persons and the programs of the renowned parties. They do not have the same difficulties in finding the political place where they belong as do other Germans, especially the youth, who know nothing relating to political parties other than the Nazi party. A small part of the worker youth has joined the K.P.D., but all other parties seem to be almost without members under 30 years of age. The propaganda shyness of the Germans makes it impossible for the parties to reach them by public declaration in the press; in addition, the press is heavily handicapped by censorship.

The "bourgeoisie" is practically without representation in the Soviet Zone and in Berlin, the Christian Democratic Union being regarded as the right wing of the labor organization and the Liberal Democrats representing a small circle without much influence. Most "bourgeoisie" are opposed to joining one of the two labor parties out of a general consciousness of status and rank, and not because of objection in principle against the socialistic programs. Nearly everybody realizes that planned economy, strong influence of the Government in distribution and production, and socialization of large areas of the economy are necessary and inevitable for the reconstruction of Germany. Most of the people who prefer to stand apart from the political parties have no concrete objections but are simply not attracted to them. For them the objection to each of the single parties is a general opposition to joining any party at all.

One group opposes the parties: "Because it is too early for Germans to make a principal political decision. As long as foreign powers rule the country and as long as all political parties have to obey foreign commanders, you will only compromise yourself by taking part in political life." Or they take a more opportunistic view. Shocked by their former experiences, they say, "The political situation may change every day. Do not join any party! Maybe tomorrow it will be the wrong one again." A second large group which stands outside the parties is simply indifferent. These people are entirely occupied in taking care of the most primitive necessities of life. With respect to

politics, their view is on the whole pessimistic. "The time of western civilization is past. The Slavic peoples will overflow Europe as the Teutonic peoples overflowed the Roman Empire. Nobody can change it." A third group is composed of activists. They pay no attention to the political parties because they regard them as powerless. They are always looking for some changes in the constellation of the foreign powers. They are living on rumors-- "The American Army is asking for Germans to volunteer." "The Russians are retreating to the Oder line and the Americans are taking over again." -- etc. These groups consist mostly of young people. They are not necessarily Nazis, but they cannot learn that an important influence can be developed without using power and armor.

The positive political wishes of most Germans are very modest. After the hard experiences of the past, they are willing to agree to any form of political Government which gives them somewhat better conditions of life and some hope for the future. In addition, they would be happy to have a Government which gives them justice instead of arbitrariness, truth instead of propaganda, and some freedom for self-decision instead of commands.

8. Some remarks relating to the political situation in Berlin and the Eastern Zone and the future political development in Germany

The special economic and administrative structure which the Russian occupation has given to Berlin and the Eastern Zone obviously has had a strong effect on the political development in this part of Germany. The most visible consequence is a tendency to develop a monopoly of one party--the K.P.D.--over the whole political life. This monopoly may be imposed on the people by the Russians or it may be a natural growth which finds support in Russian policy. Certainly it is my impression that the political development of Western Germany will go in an opposite direction and the question will arise: Will it be possible to establish under these circumstances a Central German Government, backed by a clear democratic majority? The decision will depend to a large extent on the policies of the Russian Government. The alternatives appear to me as follows:

a) If the Russians refrain from forcing a union between S.P.D. and K.P.D., or at least let the new united party develop in a democratic way, the workers of the Eastern and of the Western Zone may reach an understanding. The future consequence could be a democratic German Government centered about labor and supported by the Christian Democratic Union. The internal policy of such a government would aim at a planned economy and a strong control of production and consumption, which in any case will be an inevitable prerequisite for the reconstruction of German economy. The strong united labor wing of the Government would be friendly toward Russia but would not be a Russian satellite. The German system would be intermediate between Western free economy and Soviet Communism. Russia could be assured that the German labor party would never allow Germany to be used as a base for an attack on the Soviet Union.

b) In the Eastern Zone, the S.P.D. will be taken over by the K.P.D. before the first of May 1946. In Berlin, the Russian pressure will continue to grind down all elements which are opposed to the K.P.D. The S.P.D. will more and more retreat to the Western Zones. A strong contrast will develop between Eastern labor, dominated by the K.P.D., and Western labor led by the S.P.D. No formation of a real democratic majority will be possible in a German Central Government. A cleavage between East and West will run through the middle of Germany, which would then become a tinderbox in the center of Europe.

Addendum

Recent developments concerning the merger between the S.P.D. and the K.P.D. in Berlin up to April 14, 1946

The pressure on the Central Executive Committee of the S.P.D. to proceed with the merger of the two parties increased continuously during February 1946. The Russian Military Government insisted on fixing the time of the general Reich meeting which should settle the merger issue, explaining to the party leaders that the decision concerning certain Russian deliveries of food and raw materials would depend on the political behavior of the people. In seeking a solution, the committee tried to come to an arrangement regarding the Reich party meeting with the S.P.D. leaders in the Western Zones. In the name of the Western Zones, however, Dr. Schumacher rejected every compromise: "A Reich party meeting can be held when the S.P.D. in the East is able to act without Russian pressure. No Reich meeting until there is a Reich." Obviously, he was afraid the Western S.P.D. would be outvoted by the Eastern S.P.D. In the Reich meeting, voting would be on the basis of the represented number of party members; but in the East the number of enrolled members would be relatively larger than in the West as a consequence of the greater pressure on workers to organize in political parties. In addition, no impartial authority would control the number of members claimed by the party in the Russian Zone.

The only way out of the difficult situation the Central Executive Committee could find was to call a district party meeting of the Russian Zone and Greater Berlin on April 21, 1946. Transferring the decision on the merger to the district party meeting meant, in fact, agreeing to the merger because about 80 per cent of the delegates would be from the Russian Zone where a free decision was no longer possible.

Following the announcement of the Central Committee's intention, party members in the Russian Zone anticipated the decision of the district party meeting. In each of the five administrative sections of the Zone, the S.P.D. executive committees accepted the merger and convoked unification meetings to be held on April 6 and 7. In Greater Berlin, however, the Central Executive Committee met a spontaneous eruption of heavy opposition in a meeting of party officials and delegates on the first of March. The undemocratic behavior of the committee was heavily criticized, the meeting rejected immediate merger by an overwhelming majority, and demanded the maintenance of the December

resolution, which reserved the decision relating to the party merger to the general Reich meeting. Contrary to expectation, the Central Executive Committee agreed--with the consent of the K.P.D.--to a referendum of the S.P.D. members of Greater Berlin on the following questions: (1) immediate merger of the S.P.D. and the K.P.D; (2) maintenance of the working alliance established in December 1945 between the two parties. March 31 was set as the date of the referendum. Presumably, the Central Committee expected to be able to overcome the resistance against the merger by agitation and by Russian pressure during the month of March. Moreover, the leaders were well aware that the referendum was not formally decisive. If the vote were negative and all Berlin representatives in the district member meetings objected to the merger, they might nevertheless be overruled by the votes of the delegates of the Russian Zone. The Berlin opposition would become dangerous only if it were able not only to reject the merger but also to establish Greater Berlin as an autonomous party district. In view of the political pressure of the Russian Military Government and the political indifference of the other occupation authorities, however, any attempt to change the status quo of party districts had very small prospect of success. The leaders of the opposition realized that they would have to fight a very heavy and dangerous battle if they intended to establish more than a gesture of protest. Even the most determined of them were going on with mixed feelings. One of the ablest opposition leaders said good-bye to me when I left Berlin on the sixth of March with these words: "I strongly oppose the immediate merger with the K.P.D., but I know we will leave in the lurch the comrades of the Russian Zone and will split the Berlin S.P.D. In addition, middle-class behavior will probably grow pretty fast in the separated Berlin S.P.D. and will repel the workers. In this case, I personally would prefer to join the S.E.P.D. together with the workers instead of being left alone with small middle-class people in the old S.P.D."

Later developments are known to me from newspaper and radio reports only. Obviously, the American and the British Military Governments determined to counteract the Russian pressure on S.P.D. members living under American and British authorities. The Russian police were no longer allowed to arrest people outside of the Russian sector; it was forbidden to collect "subscriptions of consent" to the party merger because it was regarded as a form of political blackmail. Under these circumstances, the referendum appeared dangerous to the Central Executive Committee. It intended to weaken the significance of the plebiscite by recommending abstinence from voting to the party members. When, nevertheless, the members started to vote on March 31, the Russian Military Government prohibited the referendum in the Russian sector "for reasons of insufficient technical preparations." In the non-Russian sectors, the plebiscite showed an overwhelming majority against immediate merger. Regarding the working alliance between the two parties, however, the majority recommended maintenance of the December agreement. In accordance with a resolution of a leader meeting, attended by the leaders of the 12 non-Russian and of 4 of the 8 Russian divisions of Greater Berlin, a S.P.D. party meeting of Greater Berlin was held on April 7. At this meeting, Greater Berlin was declared to be an autonomous district and a new "executive committee Greater Berlin" was elected. Nevertheless,

another party meeting convoked by the Central Executive Committee took place on April 13 and unanimously approved the merger of the S.P.D. and the K.P.D. of Greater Berlin. On April 14, the new S.E.P.D. Greater Berlin was founded with great solemnity.

Presumably, however, negotiations between the old S.P.D. and the new party have not yet been broken off and the leaders are trying to come to some kind of a working agreement. In contradiction to the normal political custom, all speakers of the new S.E.P.D., and especially the head of the old Central Executive Committee, Grotewohl, have referred to the leaders of the old S.P.D. in a very moderate manner.

The following figures--as of March 1946--may be useful in estimating the importance of the opposition:

Members of the Berlin S.P.D.	66,000
Members entitled to vote in the non-Russian sectors	33,000

The Referendum

I. Votes relating to the merger of the parties	
Yes	3,000
No	19,000
Undecided	1,000
	<u>23,000</u>
II. Votes relating to the working alliance between the parties	
Yes	14,000
No	6,000
Undecided	3,000
	<u>23,000</u>

In the April 7 meeting of the old S.P.D., 47,015 members of 16 of the 20 divisions of Greater Berlin were represented by delegates. Nothing is known regarding the number of members represented in the "Merger Meeting" on April 13.