TOP SECRET

U. S. PROPOSAL ON REPARATIONS AND RELATED MATTERS

In accordance with the recommendations of the Allied Commission on Reparations, the Governments of the United Kingdom, the United States and the Union of Soviet Socialist Republics have agreed on the following program for the exaction from Germany of reparations and other Allied levies:

A. Available reparations shall be divided among claimant nations to the extent that they have borne the burden of the war, have suffered losses, and organized victory over the enemy.

B. Except as otherwise directed by the Allied Control Council each of the four Powers occupying Germany - the United Kingdom, the United States, the U.S.S.R. and France - may remove or permit to be removed from its zone of occupation capital equipment, current production, and stocks of goods either to pay for necessary approved imports not otherwise paid for or after such payment for imports has been effected for its own account or for the reparation account of any other United Nation entitled to reparations. Removals shall not be such as would be incompatible with the production and maintenance of goods and services required to meet the needs of the occupying forces and to maintain in Germany the approved standards of living, including such exports as are required to pay for approved imports for the occupying forces and the population of Germany. Removals should not be such as would be inconsistent with the treatment of Germany as a single economic unit.

C.