3. The unpaid compulsory labor battalions are to include a wide variety of Nazis, far larger in number than any likely category of war criminals. They would include, for example, all members of the Sicherheitsdienst des S.S., all non-coms and officers of the S.S., and all commissioned officers of the Waffen S.S., officials of the Nazi party down to the rank of Blockleiter, and officials of the Deutsche Arbeitsfront down to the rank of Betriebsrat. In short, they would nominate for the forced labor battalions the core of the Nazi movement. They regard it as particularly important that local Nazi officials who come in daily contact with the ordinary people, and who, for such people, symbolize the Party perhaps more even than its top leaders, should be punished and degraded by inclusion in the labor battalions. Removal of the local Nazis, they feel, will be the best way of convincing the German people that we mean business in our de-Nazification program, and that our victory means not only the end of German domination of Europe, but of Nazi domination of Germany. Accordingly they lay great stress on the inclusion of the local Party and the D.A.F. officials in their proposal.
SUBJECT: Labor Reparations

TO: Dr. Lubin and Mr. Abramowitz

1. You may recall that when Lube passed through Frankfurt, he asked Lt. Col. David Horne of the Manpower Division, USGC, to set down his thoughts on labor reparations and forward them to me. During my stay in Frankfurt I learnt that Horne and his assistant, George Wheeler, have fairly definite views on this subject, and that they have put them on paper, but that the paper will probably never see the light of day. In view of this fact you may be interested in a summary.

2. They favor a program of compulsory labor, divided into two categories, "Uncompensated," and "Compensated.

3. The "Uncompensated" compulsory labor battalions are to include a wide variety of Nazis, far larger in number than any likely category of war criminals. They would include, for example, all members of the Sicherheitsdienst des R.S., all non-coms and officers of the S.S., and all commissioned officers of the Waffen S.S., officials of the Nazi party down to the rank of Sturmführer, and officials of the Deutsche Arbeitsfront down to the rank of Betriebsleiter. In short, they would nominate for the forced labor battalions the core of the Nazi movement. They regard it as particularly important that local Nazi officials who come in daily contact with the ordinary people, and who, for such people, symbolize the party perhaps more even than its top leaders, should be punished and degraded by inclusion in the labor battalions. Remonstration of the local Nazis, they feel, will be the best way of convincing the German people that we mean business in our de-nazification program, and that our victory means not only the end of German domination of Europe, but of Nazi domination of Germany. Accordingly they lay great stress on the inclusion of the local Nazi and the Nazi official in their proposal.

4. It is worth noting that Wheeler reports that in several instances, anti-Nazi local officials have suggested to him the desirability of employing Nazis on local clearance projects. When asked what they would think of recruiting these Nazis for labor battalions and sending them abroad, they respond with enthusiasm.

5. The second portion of the proposed program is simply that any excess of German labor reparations requirements over
the number included in the compulsory unpaid category should be met by the creation of a second category of compulsory, but fully compensated labor. This proposal obviously raises serious difficulties, and presumably conflicts directly with accepted U.S. policy on the subject.