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INFORMATION

MONTHLY MAGAZINE OF THE OFFICE OF
US HIGH COMMISSIONER FOR GERMANY

Bulletin

Old Setting, New Ideas



THIS ISSUE:

Drama of German Recovery

The Schluechtern Plan

German-American Convention

Emigration from Germany

Defense of Democracy

School Kids Meet The Mayor



**JULY
1950**

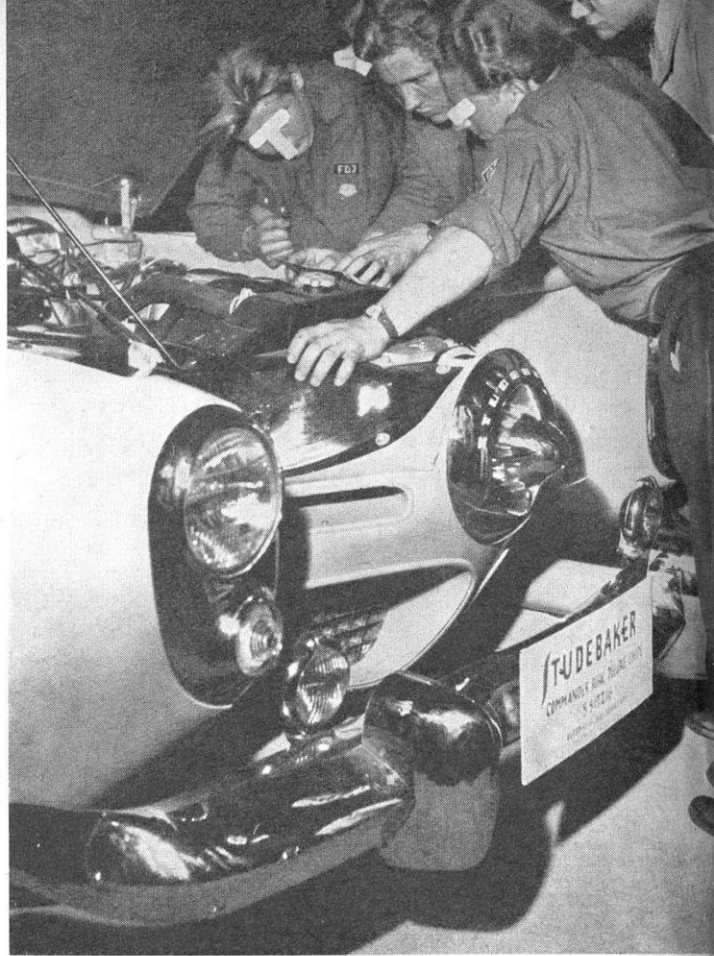
Berlin's Whitsun Auto Show



New German car, the Gnom runabout, a three-wheeler.

With studied calm West Berlin ignored the monster FDJ demonstration over Whitsuntide to stage its biggest post-war international indoor automobile show at the Funkturm (radio tower). American, British, French, German and Italian manufacturers displayed more than 150 passenger cars, trucks, delivery wagons and busses. US convertibles of the latest design were conspicuous in the gleaming array. New German cars included Borgward, Daimler-Benz, Ford Taunus, Goliath, Hanomag, Opel, Porsche and Volkswagen.

(Photos by Jacoby, PRD HICOG)



These FDJ youths ducked Soviets' parade, studied US cars.

Of five countries which exhibited 150 automobiles at big indoor show, US was top with eight firms displaying some 80 models.



Information Bulletin

The Information Bulletin is the monthly magazine of the Office of the US High Commissioner for Germany for dissemination of authoritative information concerning the policies, regulations, instructions, operations and activities of the Allied occupation in Germany.

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COVER PICTURE

Speaking on the Marshall Plan of today, US High Commissioner John J. McCloy stands before the elaborate mural of the five-centuries-old city hall in Passau. Mr. McCloy spoke to prominent civic leaders prior to opening ceremonies for an ERP exhibit now on tour in Bavaria. At left is Gert Whitman, assistant for German Liaison, who acted as interpreter. The exhibit was integrated with Passau's annual spring fair.

(Photo by Jacoby, PRD HICOG)

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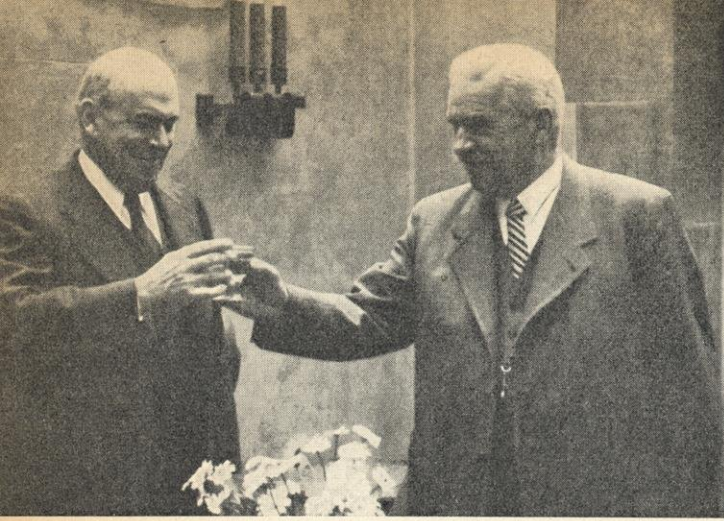
University of Wisconsin

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OFFICE OF THE US HIGH COMMISSIONER FOR GERMANY
 OFFICE OF PUBLIC AFFAIRS
 PUBLIC RELATIONS DIVISION
 FRANKFURT, GERMANY
 APO 757, US ARMY



Mr. McCloy accepts goblet of wine from Mayor Friedrich Hoerner of ancient town of Rothenburg-ob-der-Tauber.



Admiring fellow-officials look on as colossal draught is downed, a ceremony repeated religiously each spring.



Ceremony of draining mug containing three quarts of wine, symbolizing liberation of town in 1631, is re-enacted in 1950.

Rothenburg Wine Ceremony

The "Meistertrunk," traditional wine ceremony re-enacted by Rothenburg-ob-der-Tauber each year, commemorates the ancient walled town's liberation following a two-day siege in 1631. On May 29, 1950, more than 3,000 of the Bavarian town's populace turned out to greet US High Commissioner John J. McCloy, who had been made Honorary Patron of Rothenburg in recognition of his services in saving the town from destruction in World War II.

Wearing costumes of the period, Rothenburg townsfolk feted the McCloy family (center, below) as day's guests of honor.



Drama of German Recovery

By AILEEN MILES

Information Bulletin Staff Writer

ECA COUNTERPART FUNDS, cast for the supporting role in the drama of German recovery, are today helping to pull the Federal Republic up by its economic bootstraps.

They are building houses, creating jobs, priming the once languishing pump of industry and making upward sweeps on production charts as well as transfusing new economic life into trouble spots like Berlin.

In climbing output, in brighter living standards, in increased homes, jobs and food, they are affecting in one way or another all of the approximately 49,000,000 persons in the Western zones.

Indirectly these funds also are affecting the American taxpayer who surrenders a sizeable chunk of his yearly income to help feed Germany's dollar-hungry economy and who hopes for future surcease from this burden as the German state gradually approaches normalcy.

Yet a recent unofficial check in one German city conducted among Germans and American occupation personnel and their dependents produced only two persons in 10 who had a fuzzy conception of counterpart funds and only one in 30 who could explain accurately how they work.

WHAT ARE THESE counterpart funds and from where do they come? How are they used to aid the still lagging German economy?

Each country participating in the European Recovery Program and receiving assistance in the form of grants from ECA has agreed to deposit its local currency in a special account in an amount commensurate with the dollar cost of the aid received. These special deposits are called "counterpart funds." These funds in the currency of the country are slated, at the discretion of ECA, for the economic rehabilitation of the country as a whole.

More simply: Counterpart funds are Marshall Plan "stay home" pay.

They are Deutsche mark payments for goods bought and already paid for with ECA dollars.

A German firm, for example, orders machinery from an outside country. The German Government then pays for that machinery in dollars provided by ECA. Upon arrival of the machinery in Germany it is paid for in Deutsche marks by the firm receiving it. Since, however, the machinery already has been paid for in dollars, the marks are put into a special blocked account and are tagged "counterpart funds."

These counterpart marks are channeled out, with ECA approval, in specific allotments to German industry, power projects, agriculture, mining, and other enterprises to help meet the investment goals of the ERP program.

ACTUALLY THEN, the American taxpayer, working through ECA, has paid for the machinery ordered by the German firm. This enables the Deutsche marks paid out by the German purchaser of the machinery to be put to use for the over-all recovery of the West German state.

At the same time the people of Western Germany who pay with their own currency for the food, machinery and raw materials purchased by their government with dollars provided by the United States, are the source of the counterpart funds.

It is the German's money which goes back to his government through the cash registers of the retailer, wholesaler and importer to form the counterpart fund, which the German government, with ECA approval, puts to work in reviving and rebuilding their economy.

Thus, counterpart funds are ECA's device to make Marshall Plan dollars work twice for German rehabilitation — once by providing industry and agriculture with long-needed goods purchased directly with dollars, and once again by pushing production, employment and economic well-being through use of local currency put up to match the dollar grants.

As in all other ERP countries with similar funds, these Deutsche mark counterpart funds in Germany are broken up into two parts. The greater portion — 95 percent — belongs to Germany and is used within the country, on agreement between the German government and the ECA administrator for developing new sources of wealth, and for giving a hypo to industrial production.

The remaining five percent is earmarked for the use of the ECA Special Mission to Germany within Germany.

Like a shot in the arm, ECA counterpart funds have done their part in aiding the recovery of Duisburg, great inland port where the Ruhr river flows into the Rhine.

(Photos by Jacoby, PRD HICOG)





The Zollverein mine (partially, shown above) is one of 26 owned by the Gelsenkirchener Bergwerke A.G., Essen, whose total output is 90,000 tons of coal per day. Firm got loans totaling Deutsche marks 21,800,000 (\$5,190,000).

This money takes care of current operating expenses such as administrative costs payable in Deutsche marks and informational activities to acquaint the German people with their stake in European recovery.

THE GERMAN GOVERNMENT, through the office of Franz Bluecher, German vice chancellor and minister for ERP Affairs, maps out the initial proposals for the best ways of spending the 95 percent share of the counterpart marks. These suggestions are then carefully studied by the ECA Special Mission to Western Germany headed by Robert M. Hanes, director of the Office of Economic Affairs, HICOG.

After studying the German government proposals, the ECA Special Mission to Germany spells out its own recommendations which are then forwarded with the German program to ECA Washington and the Office of the ECA Special Representative in Paris. Sifting the comments and advice from other governmental offices, ECA Washington, with the assistance of its Public Advisory Board and the National Advisory Council, ultimately shapes the final recommendations.

ECA has two objectives in considering the use to which the counterpart funds are put. Of peak prominence is the problem of the internal monetary and financial stability of the country without which economic recovery cannot be achieved. Always subject to this prime factor, the use of counterpart funds is chiefly directed toward stimulating the type of productive activity which best pays off in economic rehabilitation.

In Germany, where inflationary pressures were still persistent even after currency reform, where prices climbed during the first six months following that reform, and where short-term lending activities of commercial banks were pushing more money into circulation, ECA officials felt it wiser to withhold these funds until assured that inflation in Germany was arrested and that the rising price spiral was definitely halted.

THE FIRST ALLOCATION of counterpart funds for Germany, therefore, was not made until September 1949 when DM 57,000,000 (\$13,566,000) was released as part of a long term capital investment program to be carried out in the French Zone.

Of this sum, DM 40,000,000 (\$9,520,000) went to the German railroads; DM 14,000,000 (\$3,332,000) for electric power projects; DM 1,000,000 (\$238,000) for gas main improvements; and DM 2,000,000 (\$476,000) for the rebuilding of the port of Ludwigshafen.

On the heels of this release, another DM 50,000,000 (\$11,900,000) was made available to the coal mines of the Ruhr to enable reconstructed war-damaged mines and new equipment to step up hard coal production.

Still another DM 44,000,000 (\$10,472,000) was handed over to the Berlin West Power Station which had been completely dismantled by the Russians at the beginning of the occupation, and from which now flows electricity into homes and factories along with renewed confidence for the future of Berlin.

The first major step in stimulating the German economy through counterpart funds, however, came on Dec. 16, 1949, when ECA approved a program for DM 1,036,000,000 (\$246,568,000) "for the development of the productive capacity of Germany" and released DM 600,000,000 (\$142,800,000) as a start. The balance of DM 436,000,000 (\$103,768,000) has since been released to the Germans.

SERVING AS A BROAD base for further assistance, these funds ticketed to help 23 wide categories of industry in all sections of Germany are benefiting all social and economic layers of the west German population.

They are breaking the bottleneck in electric power which has proved one of the most restrictive factors in raising German industrial production; through wise investment in farming areas they are cutting down the amount of food Germany must import from dollar sources; and through rebuilding are providing homes for thousands of Germans and refugees whose former working capacity was crippled by their homeless state. Through the DM 97,000,000 (\$23,086,000) which has been shunted into the Berlin economy they are giving a firm shot in the arm to West Berliners and a bitter pill to oppressors in East Berlin.

A breakdown of the DM 1,036,000,000 (\$246,568,000) shows that power companies in Germany received DM 220,000,000 (\$52,360,000) to rebuild and expand existing plants. In the industrial field, DM 312,000,000 (\$74,256,000) was made available for capital investment to firms engaged in major industries, including mechanical engineering, electrical engineering, fine mechanics and optics, non-ferrous metals, chemicals, mineral oils, building materials, woodworking and textiles.

Another DM 123,500,000 was labeled for agricultural projects aimed at reconstruction of war-damaged farms and re-establishment of their full productive capacity through drainage of lowlands, purchase of machinery and modernization of dairy plants.

The sum of DM 81,500,000 (\$19,397,000) was used to relieve the serious housing shortage in the Federal Re-

public. Major housing developments are being financed throughout Germany, allocated proportionately among the various states. Sole consideration is given housing projects for low-income groups and refugees whose lack of living accommodations has seriously handicapped essential production.

The balance of the DM 1,036,000,000 is earmarked as follows: DM 37,000,000 (\$8,806,000) gas, water, and sewage projects; DM 62,000,000 (\$14,756,000) transport and communications; DM 150,000,000 (\$35,700,000) coal industry and miners' housing.

BUT THIS IS JUST a beginning. In line with its announced policy of agreeing to further withdrawals of counterpart funds at periodic intervals and as promptly as possible, ECA has given over-all approval for a new investment program for DM 1,150,000,000 (\$273,700,000) although a final okay for the breakdown of this sum must still come from ECA Washington.

This new investment program, coming at a time when capital funds are desperately needed by every segment of the German economy, will more than double the DM 1,036,000,000 already released by ECA rehabilitation of basic German industry.

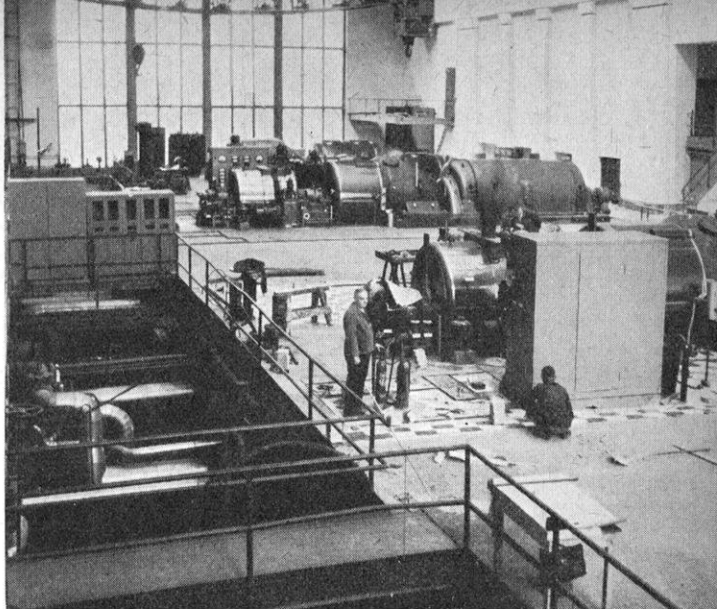
The funds, wiped clean of all attaching strings, are turned over to the Germans without one pfennig of interest nor with any condition of repayment to the ECA Mission or the US Government. With their release, the Marshall Plan has written "finis" on its books and the method of future distribution becomes solely a German responsibility.

This point has been widely misunderstood. Cases have come to the attention of ECA officials in which applicants have been told by responsible German officials that their requests for loans had been German approved but that the Americans had refused to shell out money for that particular project. The ECA Special Mission, however, does not approve individual requests for loans. That is a distinct responsibility of the German authorities.

ECA COMPLETES ITS TASK when it counts out the money to the Reconstruction Loan Corporation, a quasi-official German agency which acts as a central lending institution for the three west zones. At the same time ECA retains jurisdiction over audits to insure that the money is distributed in accordance with the approved program.

The RLC then parcels out the money to numerous lending banks telling them how much money is available for their use for loans to approved applicants. In turn the lending bank enters into discussions on loan agreements with the applicants, sifting the many applications on a basis of urgency or priority. The lending bank only calls for its share of counterpart money from the RLC when a specific loan agreement with the applicant has been okayed by both parties.

Rates of interest, conditions of repayment and other mechanics of the loans follow accepted German trade practices. ECA, however, has asked that "the rate of interest charged to the ultimate user should be at the mini-



This power plant, one of 10 owned by the Rheinisch Westfaelische Elektrizitaetswerk, Essen, was entirely bombed out, but with credits of DM 35,500,000 (\$8,690,000) the firm bought new turbines and now feeds the network supplying power to Holland, Italy, Austria, Belgium and France.

mum compatible with the objective of attracting funds other than counterpart, and that the funds deblocked... should reach their ultimate user as expeditiously as possible."

Although the effectiveness of the entire program depends on the speed with which the funds get into the hands of those who will send them out to work for the economy, serious delays at this stage often bottleneck the German transactions. Up to now, largely because of the varied circumstances surrounding each individual case, procedures have not been streamlined at a galloping gait.

TIME LAPSES GROW as risks involved necessarily demand more collateral from one borrower than from another, borrowers haggle with the banks over time limits for the loan while some borrowers—those for agricultural purposes—not having sufficient collateral must have loan guarantees from the appropriate state government.

In some cases the money is lent directly from the RLC to the borrower with no middle banks or state governments involved and can quickly be disbursed as soon as the borrower completes his loan agreement with the RLC. In other cases — and time-consuming but necessary ones — the money must flow from the RLC to at least one other bank, and sometimes through two or even three intermediate banks before reaching the ultimate user.

These checkreins on the rapid turnover of the money from the RLC to the banks to the borrower and so out into the economy have slowed down the plan to a walking trot which the Germans themselves alone can remedy. To date the RLC has been disbursing money at a rate slightly better than DM 150,000,000 (\$35,700,000) per month and a considerable speedup of this amount monthly is expected for the future.

Interest rates charged by the RLC parallel the rates charged on funds from private sources so as not to under-

cut normal market rates. With the exception of special rates on agriculture the interest rates of counterpart funds do not differ from those normally charged by RLC.

In accordance with accepted banking practices throughout the Western world, where segments of the economy which could not profitably afford to borrow money for investment purposes at normal interest rates receive an indirect subsidy, German agriculture receives a preferential or lower interest rate.

In turn the RLC pays interest to the Federal Republic for the use of the counterpart funds. When loans made from counterpart funds are repaid, the principal plus the interest set up by the Federal Republic is credited to the account of the Federal Republic of Germany, thus becoming a revolving capital which may again be lent out to the economy in long term credits.

The following table shows those rates which must be paid by the RLC to the Federal Republic, and, in addition, the rates to the final borrower.

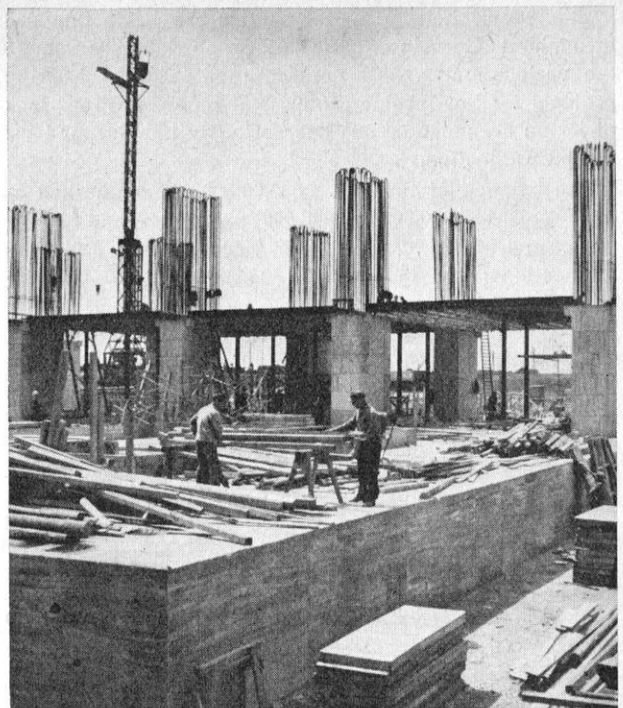
Category of Enterprise	Interest Paid by RLC to Federal Republic Percentage	Maximum Interest Rate to Last Recipient Percentage
Public Utilities	5 1/2	6 1/2-7 1/2
Coal Mines:		
Direct Credits	5 1/2	7
Credit via Channeling Banks		7 1/2
Industry:		
Commerce and Trade	5 1/2	7 1/2
Tourism		
Housing (first mortgages)	5	6
Reconstruction of Damaged Farms	3	4
Land Consolidation and Improvement	1 1/4	2 1/2
Food Industry	5 1/2	7 1/2
Inventory Credits	3 1/2	5
Reforestation	1 1/4	2 1/2
Resettlement of Expellees, Refugees	1 1/4	2 1/2
Shipping	2 1/4	3 1/4

TIME LIMITS ARE placed on all loans but few loans of counterpart funds are for a period of less than three years. Conditions for repayment vary, naturally, in accordance with the financial circumstances of each borrower. Few borrowers, however, call for the entire loan at one time but ask for it in installments as needed in order to keep the interest expenses to a minimum.

Most projects are financed partly with counterpart funds and partly with commercial money. In exceptional cases a project might be almost entirely financed out of counterpart funds, as was the West Berlin Power Plant with 80 percent coming from counterpart money. Normally, however, counterpart funds are invested in industries which can attract additional funds from other sources.

It is for this reason that counterpart, therefore, is only playing a supporting role in the recovery play. With the capital shortage in Western Germany one of the fundamental problems of the West German economy, ERP counterpart funds can only do a part-time job. The major part of investment funds must come from private German sources. In other words, the utilization of counterpart funds is intended to augment capital rather than to furnish the entire amount of capital needed for rehabilitation.

Release of counterpart money enables the industrial firms to launch modernization and expansion programs



The Rheinische A.G. fuer Braunkohlen Bergbau and Brikettfabrik, Cologne, is daily producing 15,000 tons of briquettes made with brown coal from its own mines. Remainder of coal output feeds two power plants which serve Cologne. Firm got DM 8,350,000 (almost \$2,000,000) in ECA counterpart fund loans and is building a third power plant.

through the added utilization of additional German capital which will put money into circulation in far greater amounts than the counterpart funds released.

Through the money thus put into circulation the economy is benefited and living standards take an upward turn. Through better conditions, employment and brighter outlook for the future, the German people can better absorb the democratic approach to life being taught them from the grass roots up.

IN RELEASING THE first major amount of counterpart funds, US High Commissioner John J. McCloy said that it is frequently stated that the United States aid has done much to assist German economic recovery but that not enough has been done to aid the political and spiritual redevelopment of the country.

"Without the economic basis for life," the High Commissioner said, "there is little on which to build the things of the spirit and it is in this sense that this program is designed in itself to encourage a regrowth of the German liberal spirit.

"If with this there does not occur vigorous expression of political and religious freedom, the cardinal objectives of the European Recovery Program, particularly as it is related to Germany, will have failed. The program enables at least Western Germany to develop and invigorate these freedoms in contrast to the sickening sequence of purges, imprisonments and other brutalities which characterize so many areas to the east." +END

The Schluechtern Plan

By **BETH BURCHARD**
Information Bulletin Staff Writer

IT BEGAN IN a Frankfurt sociological institute and quickly reached out into the lives of 47,000 people. A community that for more than 50 years had maintained an even population and for hundreds of years a static pattern of living, today is caught up in an experiment aimed at far-reaching change.

Source of the change is "The Schluechtern Plan." Its basis is building and balancing of housing, industry and agriculture. From it a backward community hopes to gain economic self-sufficiency and a solution to its war-born problems.

Schluechtern county in Hesse, an area of gentle hills and woodlands 35 miles northeast of Frankfurt, had devoted itself for generations to small dealings in agriculture and forestry. But there had never been enough activity to support more than the pre-1940 population of 33,000.

In the forties, however, Schluechtern life changed. Some industry was evacuated to the larger settlements of the county. Refugee trades moved in. Textile mills and boot factories were set up, all on a small scale.

But most important, 14,000 more people came to live in Schluechtern county.

THIS FANTASTIC 44 percent jump in population —10,000 refugees and 4,000 evacuees—was the shove that set Schluechtern's peaceful life askew.

Suddenly two or more persons were crammed into every available room. Unemployment soared. Hundreds were caught between the universal housing and unemployment problems and commuted 45-60 miles to cities where the nearest work was available.

Distress raged through Schluechtern as in country areas throughout Germany. Isolated attempts were made to ameliorate conditions: co-operative factories and housing projects were established in some areas; the county seat, Schluechtern, erected a hall to house two new industries. But huge segments of the populace languished in poverty, misery and idleness.

Then came the Schluechtern Plan with a blueprint for recovery.

Frankfurt University Professor Ludwig Neundorfer was seeking a testing ground for his theories of social organization. Brief studies showed Schluechtern as typical of those counties accessible to his study in western Germany. So it was that he, and the experts under his wing in the Frankfurt Sociographic Institute, undertook a detailed survey of geography, industry, agriculture and population characteristics in the area. It was completed in 1949.

Professor Neundorfer learned that 1,550 persons (a third of them refugees) were actually unemployed, 900 others were citizen-exiles because of week-by-week commuting to outside areas. Some workers were finding

it necessary to seek seasonal employment in the Ruhr district. The potential labor force was estimated as high as 2,500.

BUT WHERE WERE the jobs to come from? The tiny factories were already glutted with workers; there was a dearth of private capital to build new ones. The great proportion of refugees which was formerly devoted to farming had little hope of resuming such work on the poor and crazily-divided soil of Schluechtern.

Something had to be done before the whole community stifled. Professor Neundorfer and his associates drew up a plan which was to include the following features:

An industry extension program that would create jobs for 433 more persons.

A financial maneuvering to allow completion of unfinished houses and construction of 110 more in the industrial area of the county, 32 in the rural area. Decent living quarters would thus be granted to 2,000 more persons.

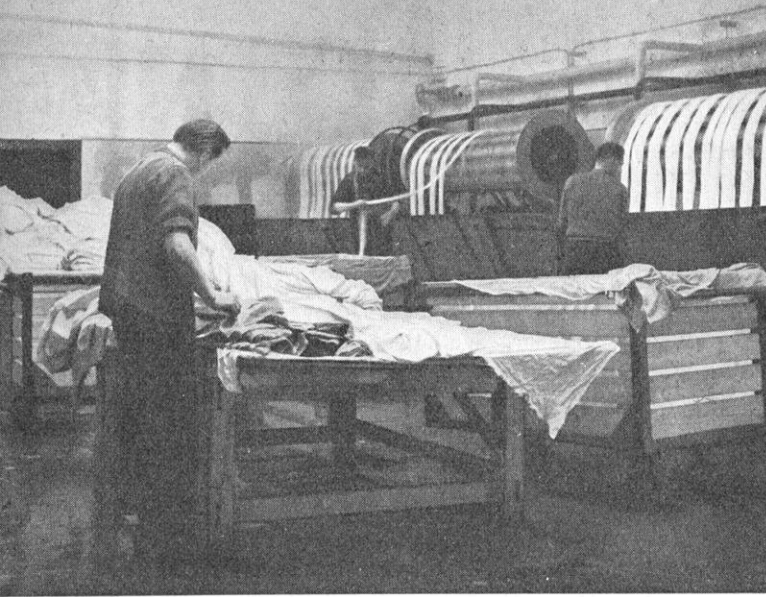
A farm program which would assign 20 refugees to farms which are at present without heirs, would create new farm acreage through land consolidation, and make new jobs for agricultural advisers.

The plan, designed for completion in one year, was devised on the basis of statistics plus conference with representatives of all the projects concerned. In the course of the professorial questioning, Schluechtern officials, factory owners, construction agents and workers were brushed by the motivating idea and became quickly absorbed into the actualities of the plan.

Hard work and crude implements are utilized to build houses for co-operative housing project in city of Schluechtern. Many of these laborers, unable to pay costs of membership in the co-op, donate their work instead. Fourteen houses are already complete in the project.

(Photos by Jacoby, PRD HICOG)





Two of Schuechtern's refugee textile industries are pictured above — left, dyeing rooms at the prosperous Inhag plant; right, the crude barracks, formerly a Nazi labor camp, where the Mottgers all-refugee textile co-operative is located. Both industries will receive funds to buy new machinery, hire new workers under the county-wide Schluetchtern Plan.

Professor Neundorfer's formula was simple: Schluetchtern would analyze her internal needs and seek remedies through public financing and county-wide co-ordination of participating agencies. Unique to the plan was the attempt of a community to absorb its refugees, and to solve its problems through an integrated financial and social effort.

A supervisory committee was set up by the Schluetchterners — a construction expert, a trade representative, two officials of the State Central Bank of Hesse and the county's representative to the state legislature.

One of the first steps of this committee was to obtain the co-operation of industry. On request Schluetchtern industries volunteered their plans for expansion. Their proposals were examined by financial experts, and 12 were selected to receive initial grants. These were to provide jobs for 433 more persons, a number which would absorb all the refugees among the registered unemployed and give new means of subsistence to about 1,500.

THE PLANNERS had to seek a first loan of DM 618,000 from public funds (the federal government's "Immediate Aid," — *Soforthilfe*). This sum represented approximately DM 1,500-2,000 for each new occupational opportunity. "Within 14 months," the committee states, "this sum will be equaled by the amount the federal government would have paid out for relief to the unemployed person."

Further applications for industrial finance—any projects requiring financing over DM 150,000 — were to be solicited from ERP counterpart funds.

The housing problem got an immediate boost, too. It was decided among the planners that only those houses would be sponsored which had already been more than

50 percent completed with the owner's own money — a total of 200 dwellings.

One hundred and 10 more houses were to be erected in the cities, and 32 houses in the rural areas.

The communities concerned with the housing program agreed to make certain concessions to the plan. They will provide inexpensive sites with garden space for each tenant. They will stand whatever expenses are necessary to clear and level the land for home construction. Moreover they will donate these sites free of taxes for 20 years.

The small homes to be constructed in the rural areas are part of the program for intensifying agriculture and aim specifically at settlement of expelled farmers.

IN THE PROCESS of planning for this settlement, 79 farms owned by persons with no heirs were discovered. Present owners were consulted to see if some arrangement could be made for passing these farms on to refugees. Where successful, varied terms were agreed upon. In some cases, the refugees were pledged to remain tenants only, paying the owners or relatives some portion of the farm's profits. In other cases, title to the farm was to be passed on to the refugees after they had worked the land a certain number of years. Thus it will be possible to resettle 20 refugee farmers.

This phase of the plan was devised in order not to waste the special knowledge and love-of-soil possessed by the homeless farmers. The planners did not overlook the fact, either, that Schluetchtern's not-too-progressive agricultural methods might receive a substantial impetus from the immigrants.

Additional jobs were devised to help mutually the area's agriculture and her unemployed refugees. Among these jobs were 15 for "orchard guards" and two

for farm management advisers. Two community co-operative laundries will be established and refugees will manage them. Fifteen smallholdings are planned in woodland communities for forest workers and wood craftsmen. Final aim of the agricultural program will be the completion as quickly as possible of strip consolidations. One-third of the communities have completed the job — but most of this was done before the war. Walter Jansen, who is the area's representative to the state legislature, has doubts about the success of this program — "the farmers are against it."

The legislator, who has stumped for the plan in more than 35 public forums within the county, nevertheless looks to the agricultural phase as the backbone of the program. It certainly has the widest appeal among the refugees.

Looking over the specific projects within the plan, one can see the advantages, drawbacks, the energies, ideals and problems of the entire proposal.

Probably the most admired of all the industries involved is the textile-manufacturing plant in middle-sized Steinau, which employs 225 persons, 60 percent of them refugees. It was begun three years ago in a grain storage barn and is today sufficiently prosperous to allow an 80-man expansion under the Schluechtern Plan.

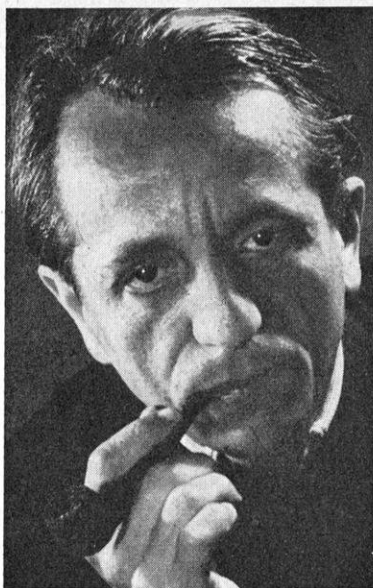
The factory turns out yardage of many prints, cloth gloves, underwear, shirts and nightclothes of high quality. It also has its own workshops which attend to maintenance and expansion of the plant. The machine shop, for instance, turns out giant machines which would elsewhere cost the factory owner impossible sums.

Three houses have been built near the factory to shelter workers in the textile plant. Initiated by the factory owner, they represent the nucleus around which will be developed a 24-dwelling community under Schluechtern Plan sponsorship.

Plant-owner Max Foerster is feeding as much as possible of the enterprise's profits into a "10-year plan," to provide a hospital, kindergarten, bachelors' quarters, recreation hall and a social insurance policy for deserving workers.

But despite good conditions, wages in Mr. Foerster's plant conform to the universally low ones prevailing throughout the county.

CONTRASTING WITH this prosperous plant is the textile co-operative now struggling for its existence in tiny Mottgers. The 20-man factory housed in the barracks of a former Nazi labor camp, is manned by refugees from the Sudetenland. They and many other former textile workers gathered in Mottgers at the call of a Catholic priest who continues to be their business as well as spiritual guide.



The man who authored the Schluechtern Plan: Prof. Ludwig Neundorfer of Frankfurt Sociographic Institute. He pledges study of prevailing low wage conditions.

Burdened by high-interest bank loans, the co-op welcomes the opportunity to expand to 60 workers with the help of the Schluechtern Plan. The money will be used to buy added machinery, a move that will allow added workers on the payroll. All of them will be refugees.

The co-operative, too, has an adjacent housing project, built entirely by refugee labor. Although but four of the houses are finished, many more and a 12-unit apartment house are planned. Concrete is made by the refugees, and wood is cut and hauled by hand from nearby villages.

Pay in the co-operative is minimal. Each worker gets the smallest sum commensurate with the area's pay scale.

OTHER SCHLUECHTERN factories planning extension of their facilities are a knitwear plant, a weaving mill, a manufacturer of wire netting and grating, a sawmill, a metal and woodwork shop, a shoe factory, electrical supply

shop, a carpeting and cabinet-making enterprise and a brickyard. Each is being granted funds on the proviso that 57 percent of the new workers are refugees or other war victims.

New housing is being built only in those instances where jobs are available close by. One of the largest housing co-operatives is located in Schluechtern, the county seat, where most of the area's industrial activity is conducted. Fourteen houses are already complete.

Much of the work is being done by persons who wish to join the co-operative but do not feel they can pay the initial fee (DM 300) or maintain the rentals. Though the pay is low — DM 1 to DM 1.25 — their work pays part of the cost.

Mayor Bertram of Schluechtern says that most of the people planning to occupy the four-family houses will be unable to pay the large amount necessary to acquire title to their apartments. Cost of each is about DM 2,400.

"It isn't possible to build new houses for poor people," says Mr. Bertram. "They are not yet able to pay the rents. The war has made bank interest rates impossibly high."

AS MUCH CORNER-CUTTING as possible has been employed in construction. Workers are making by hand the concrete blocks which constitute the greater part of the foundations and outside walls.

The town of Schluechtern also boasts an Industry Hall, built within the last six months with DM 80,000 of township funds. "We thought if we began helping ourselves first, the state might be more interested in helping us later," explains Mr. Bertram. The hall was built specifically to provide room for refugee industries which otherwise would have no chance of survival. Rents are paid to



The city of Schluechtern has donated funds to build the Industry Hall, shown above, to house refugee industries. Plan now is to construct five more halls with Schluechtern Plan funds — "or find some means ourselves," says mayor.

the city by the entrepreneurs now occupying the twin "factories" of the hall.

For both, the hall was a solution they direly needed — a solution so advantageous that the mayor now is seeking to build five more halls with Schluechtern Plan funds. "And if such funds should not be available, I hope we will find some means ourselves."

One of the hall's present occupants is a manufacturer of fine laces, principally in collar and cuff sets for women's wear. Having begun in business one year and a half ago, the proprietor, an East zone refugee, has increased his working staff to 35 and plans to expand to 100 — "we've enough orders." At present he is dickering with foreign merchants for export of his products.

The second occupant is from Prague, a manufacturer of inexpensive socks. Possessor of a number of machines newly-purchased from the United States with ECA funds, he plans to hire 24 persons immediately and will soon have the capacity for 100.

WITH THE PLAN far enough along to be significantly changing the life of pastoral Schluechtern, other counties are looking to the area in hopes of seeing their own solution. There remain a number of flaws to be worked out.

The agricultural program is DM 200,000 along the way, thanks to the Federal Agricultural Ministry. Although moving slowly, its county-wide organization and, in some cases, local financing, appear to guarantee its eventual completion.

The housing program has distributed sufficient money to complete a quarter of its proposed construction. Remaining to be solved in this realm is the problem of a satisfactory cost-and-rent structure to allow refugees to benefit from the new building.

Industry's program was recently granted an additional DM 1,000,000 by the government, a sum that will bring forth an additional DM 2,485,000 in private capital. However, HICOG officials are withholding complete approval of the program until a "non-exploitive" pay scale is devised.

Young girls and women were found earning from 40 to 60 pfennig per hour in the county's textile enterprises,

while the industry-wide average for such jobs is computed at 86.9 pfennig (Sept. 1949). Males in industries of all types were making an average 131.7 pfennig at the same period, but in Schluechtern their wages sometimes stood as low as 85 pfennig. All wages lose 12 percent in taxes and fees.

Officials of the HICOG Manpower Division have estimated that the Schluechtern pay scale does not guarantee a decent living wage to the workers.

RESPONSIBILITY FOR the low wages falls not only upon the employers — some of whom are frankly unable to pay more — but also upon the unions which negotiated the area-wide wage agreements. The unions in this case often represent but a tiny fraction of the workers — in one plant there were no union members — but the job of setting the wage scale devolves upon them. Main reason for the low union membership is the cost of initiation and weekly dues.

HICOG officials, watching this all-German project hopefully, were encouraged by the pledges of Professor Neundorfer and his research associates to conduct a thorough study of the situation. Local authorities are simultaneously pressing for better wages.

Whatever the difficulties involved and whatever the drawbacks, the plan has given hope to other rural counties, and a new spirit to war-groggy Schluechtern. One spokesman put it this way: "We've tried to dream up no fantastic projects, but have listened to the people's wishes and tried to make clear and sober plans for the future of our county. The whole population is helping, even if only by living as frugally as possible. They know that the more they are able to put into their own salvation, the more will be available for others."

Legislator Jansen, having discussed the practical aspects of the plan, defined the idealistic ones. "In my opinion, it's equally important to awaken the residents and the refugees and bring the two together in co-operation. It is by working together that we shall emerge from a state of waiting and self-pity and pitch in to the job." +END

Refugee cuts patterns for lace collars manufactured in Schluechtern plant. Surveys showed "exploitive" pay scale for many workers in area, sometimes as low as 40 pfennig per hour for girls. Officials of Schluechtern Plan are seeking means to insure decent living wage to local workers.



Aged DP's to Go under German Care

AGED DP'S IN Wuerttemberg-Baden will be placed under the care of German officials upon completion of a Displaced Persons' (DP) home to be built and furnished with funds provided by the International Refugee Organization.

The new home, first to be established in Western Germany, is designed primarily for the use of aged DP's who have little hope of being resettled in homes outside Germany. It will be built at an estimated cost of DM 636,000 on a 40-acre tract of land formerly a German air force base at Dornstadt, near Ulm.

The agreements were signed in the headquarters of Maj. Gen. Charles P. Gross, state commissioner for Wuerttemberg-Baden, by representatives of the Wuerttemberg-Baden Ministries of Interior and Finance, the Inner Mission of the German Evangelical Church, which is the operating agency for the new project, and its sponsor, the World Council of Churches. The World Council of Churches is one of 23 voluntary agencies working under IRO auspices, and will soon amalgamate with another agency, Church World services.

Others participating in the ceremony were Stan Milus and Herman Washington, IRO officials, and James H. Campbell, Displaced Populations adviser, Office of the State Commissioner, Wuerttemberg-Baden.

NINETY PERCENT of the space in the new home is to be reserved for aged DP's, the remainder for Germans in need of care. Initially at least, 350 DP's will be selected to occupy the new home by an Admissions Control Board.

Wuerttemberg-Baden state government signs agreement to assume care of aged Displaced Persons. They will maintain a home for elderly DP's at Dornstadt, near Ulm, to be built and furnished with IRO funds. Participating in the document-signing ceremony were (left to right, seated) A. Roland Elliott, Church World Services, Inc. representative; James H. Campbell, Displaced Populations adviser, OLCWB; Dr. Antonie Krauth, head of the Inner Mission of the German Evangelical Church in Wuerttemberg; Dr. Friedrich Kiefer, of the state's Ministry of the Interior; Franz August Denkel, of the W.-B. Ministry of Finance; (left to right, standing) Stanislaus B. Milus, IRO; H. A. Washington, chief, Care and Maintenance, Headquarters Area 2, Mellingen; Major E. N. Geforos, Stuttgart Military Post.

(US Army photo)



Cattle, hogs and poultry will be raised on the farm, and 40 acres of land adjacent to the home will be utilized for vegetable production. Thus the project will be self-supporting, to some extent, according to present German plans.

The original 350 DP's are to be of the Protestant and Greek Orthodox faiths. Catholic DP's in the same age and "need" categories will be cared for in similar accommodations in Bavaria.

Bids for construction were let in June, and completion is expected in September. Meanwhile, the group of selectees was to remain under the care of the International Refugee Organization.

The home at Dornstadt will include a chapel, recreation halls, single room apartments and a hobby shop.

Adjacent to the Dornstadt project and in co-operation with IRO, a new German housing project of 150 apartments, financed partially by the International Refugee Organization and for use by Germans, will be built in the near future.

+END

Germany to Negotiate for Tariff Concessions at Torquay Conference

West Germany's \$2,000,000-a-day "dollar gap" may get help when Germany negotiates for tariff concessions with 14 countries at an international meeting slated for September in England.

Present will be the contracting parties to the General Agreement on Tariffs and Trade; 39 countries are expected to participate.

"These 39 countries," according to ECA Chief for Germany Robert M. Hanes, "account for nearly four-fifths of the world's international trade. Western Germany, in participating in these negotiations, has an opportunity to strengthen its foreign trade position and to expand its production. By acceding to the General Agreement, Western Germany will join those countries striving for the progressive removal of discriminatory trade practices and seeking ways for a multilateral extension of trade. The Federal Republic's accession to GATT will certainly stimulate the flow of its exports."

Negotiations under GATT are conducted according to provisions of the Havana Charter. The Charter states that customs tariffs and other charges on imports and exports, certain regulations, quotas and artificial protection afforded by import and export monopolies shall be subject to negotiation.

Germany plans to negotiate with Australia, Canada, Finland, France, Greece, India, Italy, New Zealand, Pakistan, Sweden, Turkey, Union of South Africa, United Kingdom and the United States. Any other countries desiring to negotiate with the Federal Republic may offer proposals.

The meeting will be held at Torquay, England.

Low Cost of Occupation Stressed

AN OFFICIAL of the Office of the State Commissioner for Bavaria told a German radio audience that occupation costs for Western Germany are only a fraction of the money the Third Reich spent in the years prior to and during World War II.

In emphasizing the comparatively low price Western Germany is paying for her security, the official also pointed out the material benefits derived by Germans in the three Western zones through various Allied aid programs, such as GARIOA and the Marshall Plan.

"Occupation costs — that is, the expenses which we regard as bona fide costs for occupation — will amount to about DM 4,000,000,000 during the current fiscal year," declared K. F. Fredericks, chief of OLCB's Finance Branch, in a speech delivered over the Bavarian radio.

"This," he added, "compared with expenditures for the prewar German armed forces of DM 4,000,000,000 during 1935; DM 18,400,000,000 during 1938; and DM 32,300,000,000 during 1939. And during the war year of 1944, the German taxpayers paid DM 128,400,000,000 for their armed forces."

THE AMERICAN FINANCE official told his listeners that Western Germany pays only a part of the actual occupation costs of the Western victors. The Germans, he explained, are charged only for housing, services and certain goods delivered to the Occupation Forces, while taxpayers in the United States, England and France pay for food, clothing, military equipment, fuel, as well as wages and salaries of their own occupation personnel.

"It is commonly presumed," he added, "that occupation costs are entirely lost to the German economy. Actually, however, about one-fourth of the money paid by Germans is returned to the economy in the form of wages paid to German workers from which the state collects wage taxes. In addition, many hundreds of million Deutsche marks are used for maintenance and construction of buildings, dwellings, plants, airports and other installations now

being used by the Occupation Forces but which will eventually be returned to the German economy."

Mr. Fredericks said that Western Germany also has benefited through GARIOA deliveries of raw materials and foodstuffs valued at more than DM 8,000,000,000 plus Marshall Plan credits which to date amount to approximately DM 3,600,000,000. Other material aid also has been received from abroad, such as a steady stream of gift packages of food and clothing for Germans.

"In addition," he added, "there are other values being received by Western Germans which cannot be measured in dollars and cents. To mention just a few, let me call attention to the *Amerika Haeuser* (US Information Centers), which are paid for entirely by the American taxpayer, as well as the hundreds of Germans from all walks of life who are being given the opportunity to study democratic institutions and practices in the United States."

MR. FREDERICKS SAID the DM 4,000,000,000 occupation cost figure expected for the current fiscal year is about 10 percent lower than for the preceding year. He said the reduction in part has been effected through the reduction in the number of Germans employed by the Occupation Forces.

"Economic arguments are used by some Germans to point up the need for greater reduction in occupation costs," he added. "However, at the same time, social arguments are brought forth whenever Allied authorities try to reduce occupation costs by discontinuing operations at a German plant. Such was the case recently at the BMW plant at Munich-Allach. Considerable efforts were made in that instance by interested Germans to prevail upon the Occupation Forces to continue their operations at the plant." +END

Historical Division to Record, Analyze, Appraise HICOG Operations

A Historical Division which will provide "a careful analysis and appraisal" of the work of the US High Commission for Germany has been established in the Office of the Executive Secretary.

The work of the Historical Division is designed to "constitute a historical record... of permanent value to our Government." It will also interpret to the American people "the experience of the unique experiment now being carried on in Germany for the purpose of safeguarding the security of Europe and restoring Germany as a peaceful co-operating member of the European community."

Without striving to draw up an "exhaustive and monumental history," the new division will place emphasis on the broader aspects of operations, and on the principles, problems and procedures involved. Dr. Harold Zink, noted American historian and educator now teaching at Ohio State University, will head the Historical Division.

Something cooking!—A delegation of German apprentice cooks greeted Alfred Fries of Chicago, president of the International Cooks' Association, on his arrival at Rhine-Main Airport as guest of the Association of Cooks in Germany. This was his first visit to Germany since his departure as a youngster in 1905. (USAFE photo)



Orientation via the Eye

MAYBE YOU THINK it's child's play to dabble in paintboxes and to carve toy boats.

But to a group of HICOG experts stationed in Nuremberg, it's work — work dedicated to telling Germany about America, and helping the Germans to understand democratic systems.

Throughout the US Zone of Germany, colorful posters, giant photo exhibits, maps, charts and scale models are displayed to illustrate the hallmarks of American life.

They've been prepared by the 81 Americans and Germans on the staff of the Exhibitions Section of the Visual Presentation Branch, Operating Facilities Division, Office of Administration, HICOG.

Besides telling Germans the physical facts about the United States, the exhibits try to illustrate the spirit of individual liberty which surrounds them. Although many are initiated in their own right, the exhibits are also ordered or borrowed by various HICOG staffers to supplement reorientation activities in the field of press and publications, radio, motion pictures, the theater and others. What's more, Germans are learning about the purposes and progress of ERP from these graphic displays.

PRINCIPAL OUTLETS for exhibits are the US Information Centers. The larger ERP exhibitions, which cannot be accommodated by the centers, are shown elsewhere. One of them is contained in its own portable building, 100 feet long, 66 feet wide and 23 feet high.

Since the section was organized as part of the OMGUS Office of the Director of Information Control (later the Information Services Division), 32 major exhibitions have been produced. Add to that a myriad of photo displays and posters devoted to American holidays, observances and birthdays of America's greatest leaders. The section has also designed posters for its own exhibitions and five different posters for the ECA Special Mission to Western Germany. It is estimated that nearly 3,500,000 Germans have seen the exhibits.

Millions of Germans have viewed the work of the artists and artisans of Visual Presentation Branch. Right, simple photographic display. Below, Claus Peter Gross, production chief, checks graph depicting results of Marshall Plan aid.

A sample list of the section's exhibits will give an idea as to the huge variety of its work:

Tennessee Valley Authority, Living Americans, US Agriculture, Civil Rights, Food for Germany, Housing in America (two exhibits), The World of American Women, Modern American Sculpture, German Translations of American Books and the New York Public Library — these and many others.

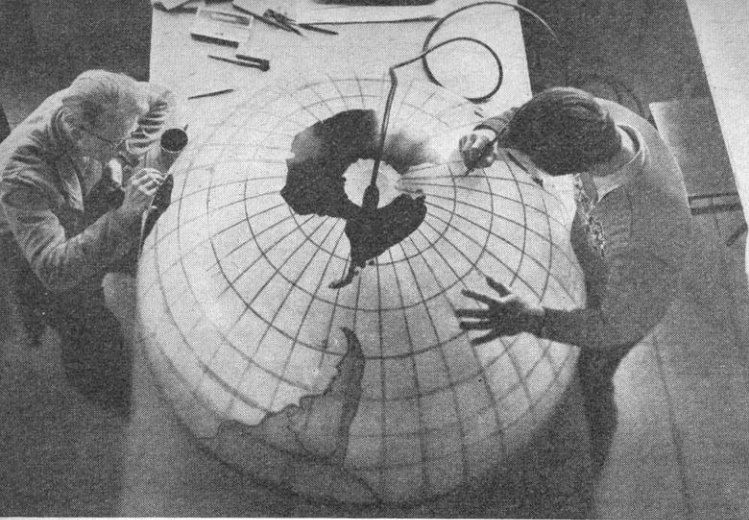
DURING THE REMAINING months of 1950, exhibits will be produced on US automobile production, heavy industry, aviation, motion pictures, television, atomic energy, modern art, youth movements, highways and railroads.

Scale models of the new HICOG housing development in Frankfurt will also be constructed.

Most recent project of the section was a special ERP exhibit for the Frankfurt Agricultural Fair last month. Another ERP exhibit is currently touring cities in the French Zone.

Exhibitions Section is virtually a self-contained unit, with eight operating departments and its own supply





Globe being painted is part of the big ERP Exhibition which has been touring US Zone cities for some months.



Painters with gun and brush take over from carpenters to finish ships to haul ECA freight — for another exhibition.

warehouse. As a result it is not necessary to farm out any of the work, except in instances where complex machinery or electrical apparatus is required.

All editorial and research work for the exhibits — and plenty is needed — is done within the workshop. There are also whole departments devoted to the jobs of carpentry, machines, model making, printing, graphics, photography, architecture and maintenance. The section has its own administrative office, of which the supply warehouse is a part.

A staff of two Americans and 79 Germans make up the section's employee roster. They are divided into three groups: Office of the Chief, Editorial and Research, and Production.

THOUGH MANY of the exhibits resemble "works of art," it isn't a case of one artist sitting in a corner and dreaming up a cherished design. All of the artisans pitch in together and produce ideas, texts, art work and illustrative gadgets.

Here's the procedure followed for most of the exhibits.

A conference among the US chief, his deputy, the German editorial and production chiefs is called. The subject matter is thoroughly discussed as to research, scripts and scenarios, extent of coverage, size of the exhibit, number of elements (including textual, graphic and pictorial) and color combinations.

Whatever decisions have been made in this first conference are incorporated into a rough script. If the first draft is approved, it goes to the graphics department, where rough sketches are made, either in black-and-white or color. Upon approval of the rough sketches, a second script is drafted, this time with more detail. The artists now take over again, and finished sketches are prepared for approval. These are usually submitted to the Information Centers Branch, if the exhibit is intended for the Centers, or to whatever other agency has requested it. If the agency gives its go-ahead, production begins and the deadline is posted for all to see.

When the exhibit is finished, the section takes care of all its own packing and shipping. Specially trained crews of German graphic artists and carpenters accompany the exhibits to unpack them, assemble, disassemble and repack them for further shipment. All exhibition devices, such as racks, supports, paneling and showcases are made within the shop.

For example, the large ERP exhibit, housed in its own pavilion, requires a crew of 30 to supervise erection, exclusive of contract labor, after it is moved from city to city.

IT IS NATURAL that planners in the Exhibitions Section should want to know how effective their exhibits have been — moreover, they want to insure that the story-telling job is done. To this end, American and German chiefs make studies of German spectators' reaction to the various exhibits. By so watching, they are able to revise editorial and graphic presentation when necessary for effectiveness.

Recently, small letter boxes have been made to receive written opinions from German viewers.

Members of the Exhibitions Section staff are aware that they are a part of a comparatively new movement to educate via the visual arts. Studies made by the section in its various research efforts disclosed that Johann Amos Comenius, the Moravian Bishop of Reformation, founded the visual movement during the 16th century. Although virtually all his ideas are in use today, they are still confined to those doctrines which are devoted to improving methods of language teaching and to illustrating textbooks.

No significant additions to Comenius' ideas were made until nearly a century later when Johann Pestalozzi introduced field study into the classroom. Pestalozzi's work attracted interest mainly from the intellectuals of his day and had little or no mass appeal.

First real impetus to visual information came with the establishment of the great international expositions, which for the most part were nothing more than commercial fairs.

Only in very recent years has visual information in the schools and in military training been utilized widely.



England in plaster, one of several materials put to good use by the 81 Americans and Germans of Exhibitions Section.

Some of the same methods employed by educators in the visual field are utilized by the Exhibitions Section.

THE WHOLE IDEA of bringing exhibitions into the German reorientation program thus did not get underway until the fall of 1947. The program was begun in Berlin and was transferred from that city to Nuremberg when part of OMGUS Headquarters was airlifted out of the blockaded city in 1948.

The Exhibitions Section is one of the three sections which make up the Visual Presentations Branch, headed in Frankfurt by Louis H. Dufault. Its other two sections — Graphic and Reproduction Sections — operate from the Headquarters Building in Frankfurt.

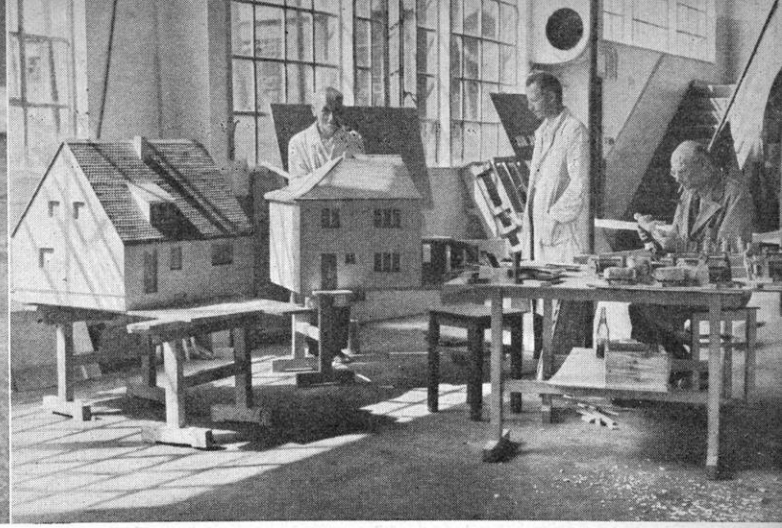
The entire branch is under the aegis of the Operating Facilities Division, whose operations are in turn supervised by the Office of Administration, of which Glenn G. Wolfe is director.

Thomas J. Carolan, divisional chief, says of the Nuremberg workshop: "The Exhibitions Section is a servicing agency for all of HICOG. Its facilities are available to all HICOG offices and divisions directly or indirectly responsible for reorientation and which require graphic elements to further their missions." Many HICOG units make frequent use of these open-to-all facilities and their contribution to the over-all reorientation effort has been great.*

CHIEF OF THE EXHIBITIONS Section in direct charge of all its activities is Elmer Cox, veteran American newspaperman and public relations expert. During the war he was with the Office of War Information in New York and London, and then went to Norway as the first postwar press attache of the American Embassy in Oslo. He joined the Information Services Division in Berlin in the summer of 1946.

His deputy chief is Ernst A. Schlomann, who has been associated with the Exhibitions Section since October 1949. A student at the Universities of Berlin and Munich

* Illustrations of this work in the Information Bulletin are "So Wohnt Amerika" in the December 1949 issue and "ECA on Tour" in the March 1950 issue.



Model houses are constructed for "So Wohnt Amerika" Exhibition, which showed Germans how Americans live.

and the State Academy of Fine Arts in Munich during the 1920's, he was employed for a number of years as display manager for topflight New York department stores.

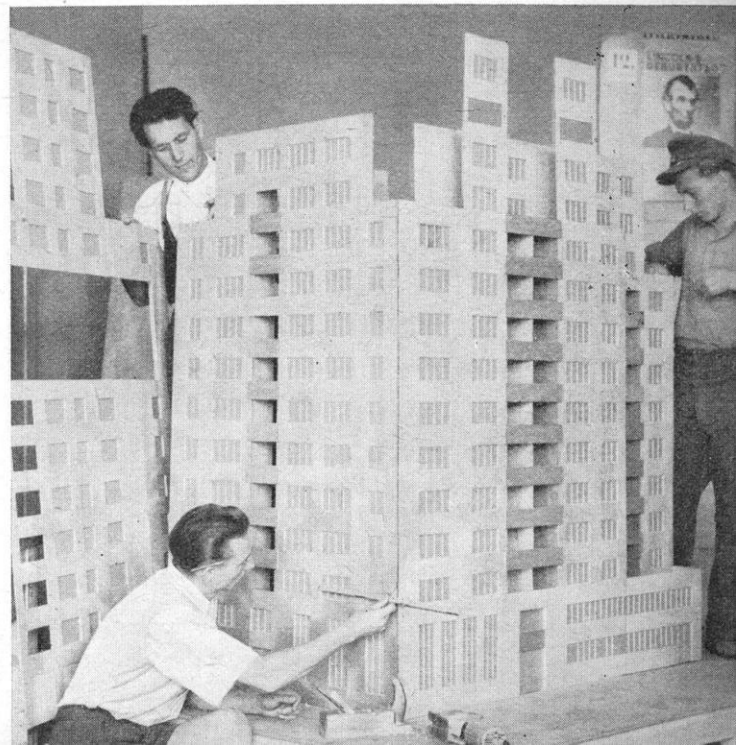
The two Germans who head the other major groups are Dr. Gerhart Jentsch, chief of editorial and research, and Claus Peter Gross, 26-year-old production chief.

Two giant buildings are occupied by the section — a workshop and a warehouse. The two Nuremberg structures are situated in a compound known as the Metal and Eisen Werke, which has 17 other buildings of comparable size.

This compound and its buildings were once devoted to the manufacture of 88 mm shells for the German army. The job which occupies them now is a particularly significant turnabout — where once the tools of war were made, today the Exhibitions Section is turning out the materials which aid a comprehensive project for peace.

+END

No American housing exhibit would be complete without a skyscraper, so little one was produced in workshops.



Stamping Out of Racial Prejudice Urged

DR. JAMES R. NEWMAN, US State Commissioner for Hesse, recently admonished those prosecutors who have dismissed cases against desecrators of Jewish cemeteries in the state of Hesse. Pointing out 200 of the 500 Jewish burial grounds in Western Germany have suffered at the hands of vandals since the end of the war, Dr. Newman, in a letter sent May 18 to Christian Stock, Minister President of Hesse, stated that nothing would harm Germany's prestige before the world so much as this continued manifestation that racial prejudice and hatred are still alive and their attendant crimes unpunished.

Dr. Newman's letter follows:

Dear Mr. Stock:

On Sunday, May 14, 1950, there appeared in the *Stars and Stripes* an article which dealt with the desecration of Jewish cemeteries in western Germany. The most startling part of the story was the statement of an outstanding German Jewish leader to the effect that, of the 500 Jewish cemeteries in Western Germany, 200 of them had been desecrated or had otherwise suffered at the hands of vandals.

I am sure that you deplore these happenings as much as I do, and I have noted with satisfaction and approval the stand that has been taken with regard thereto by yourself and others . . . I am also quite sure that none of us were aware of the extent to which Jewish cemeteries have been molested in Germany since 1945.

It is impossible, however, to look with approval upon the actions of some of the prosecutors in Hesse in dismissing cases against offenders who have been apprehended. It is true that in most instances the offenders were juveniles who probably were not fully cognizant of the gravity of the acts committed. In dismissing these cases, however, the prosecutors, in pointing to this fact, have indicated that the children, possibly, were motivated in their actions by the influence of adults. Surely if this

fact could be ascertained by the police and prosecutors, the further facts as to the identities of such adults should have been uncovered, and available action should have been taken against them.

We all realize that racial prejudices are almost invariably the result of ignorance, and, where there is ignorance, such prejudices become manifest through acts of violence and oppression. Too often is the ability to fasten responsibility difficult because prejudices of this kind, like all other shameful things, are kept hidden and secret by those who possess them.

THE EYES OF THE WORLD are turned toward Germany today. Everything that happens here is noted and judged. Slowly but surely the moral credit of your country is rising everywhere in the Western world, and every German should see that nothing is done to impair it. Every official, also, must do his utmost to protect it. Nothing will do more damage to Germany's standing, present and future, before the civilized nations of the world than the continued manifestation that racial prejudice and hatred are still alive and active, and that the crimes committed by reason thereof continue to go unpunished.

We, who are close to the problem here, realize that this race hatred does not exist in so far as the mass of the German population is concerned. We also realize that the great majority is shocked and disgusted when crimes like the desecration of Jewish cemeteries are reported. To the world, however, such shock or disgust is judged to be passive, if, in fact, it is even recognized as existing. The people, individually and collectively, must vent their indignation, or risk the possibility of an erroneous judgment of Germany's moral regeneration.

I earnestly urge, Mr. Minister President, that you and your government take every possible step to stamp out the remaining vestiges of racial prejudice and hatred in Hesse. Not only must the perpetrators of offenses, such as are herein discussed, be apprehended and punished, but every moral force for good and decency must be awakened and marshalled to battle the forces of intolerance, racial hatred and racial prejudice.

Parents, teachers, clergymen, in fact everyone must be joined together in the fight, for the evil that is in a psychology of hatred, intolerance and prejudice is not only wrong in the sight of God, but is also deemed to be a wrong against mankind in the minds of all civilized peoples. The people of Germany cannot afford to be wrongly judged by their neighbors at this time, and Germany herself cannot afford to lose the moral credit she has been accumulating since the end of the war.

It is up to you and to every right-thinking citizen to openly and strongly vent your indignation against the manifestation of racial hatred and prejudice, to the end that they will disappear and the evil upon which they thrive will cease to be a living force or problem. +END



One of 8,000 books sent by US publishers to Hesse for distribution among German universities, schools and other institutions, is examined by Dr. James R. Newman (left), state commissioner for Hesse, and Dr. George F. Donovan, Religious Affairs chief, OLCH. (PRB OLCH photo)

German-American Convention

AT THE NOON MEAL, the delegates ate hot dogs and hamburgers at the Augsburg Snack Bar, and for dinner they had the pick of the town's best *wiener schnitzel*. In meetings, Americans and Germans mixed their languages, and in reports, told how people of both nations worked side by side—for the American March of Dimes or for the German Pfennig Parade.

There wasn't any doubt that delegates and observers at the Federation of German-American Clubs' convention had learned a lot about each other's mode of life, but they worked for two days anyway, seeking means to strengthen, redefine and to extend their program.

The convention, held during May in the Bavarian city of Augsburg, was the fourth since the federation's birth in 1947. It brought together delegates and lookers-on from 10 clubs in nine cities of the US Zone — one delegate of each of the two nationalities from each club. The others, some 40 in all, just came along for the ride.

There were just as many Germans present as Americans, just as spirited and articulate.

These people — and their federation — represented, in the words of Dr. James Morgan Read, chief of the Education and Cultural Relations Division, Office of Public Affairs, HICOG, "one of the best instruments for German-American friendship."

THE FEDERATION GREW from the directive by Gen. Lucius D. Clay, then US military governor of Germany, issued in July of 1947, which asked formation of German-American groups to foster mutual understanding and to spark-plug worthwhile civic projects. These clubs, some of which had existed informally before, federated themselves in September 1947 in Heidelberg, with Munich Resident Officer Chester A. Wright as president. Twelve clubs were represented at that time; in those days membership was all masculine.

Here are the Germans and Americans who will guide the Federation of German-American Clubs during the coming year. Seated (left to right) are Mrs. Eleanore von Knoop, corresponding secretary; Mrs. Helen Hathcock, president; Mrs. Louise Fullmer, past president; Mrs. Gertrud Roth, recording secretary; (standing) Dr. Anton Fingerle, first vice-president; Mrs. Hanni Lohmann, second vice-president, Mrs. Alice Myers, treasurer; Dr. A. R. Boehm and Mrs. Tilly Griminger, second vice-presidents. (US Army photo)



In the three years that followed, the federation as patriarch was not overly popular and a states' rights struggle was staged by the clubs. But the air was clear for the May convention, and it seemed agreed from the variety of their activities that member clubs conducted their business exactly as they wished.

There was one bond that all had voluntarily assumed: together they were working to "promote German-American understanding in a democratic manner."

Such understanding wasn't reliant solely upon scheduled sessions of Germans and Americans facing each other across teacups although that, too, had its place.

In most local clubs, the membership consisted of leading figures in German civic life, members of the American Armed Forces, HICOG and their families; this fact made discussion of civic issues a "natural" for club programs. It was here that Americans, with their greater experience in community planning and carry-through, played the leadership role.

With Germans in extreme physical need, particularly before currency reform, it was natural that welfare projects were laced into each club's program. Tops among such activities were Christmas parties for German children, care of orphans, and youth activities, often in cooperation with the Army-sponsored GYA.

AS THE MEMBERSHIP gradually changed, and women took the leadership away from men, the natural consequence was a new emphasis on techniques of modern housekeeping, home planning, child-care, and a lively discussion of women's problems in general. One club sponsored a fair, "The Woman's World," and another an "International Cooking School." The significance of this side of club activity was emphasized by Mrs. McCloy when she stressed the need for active participation by women in public life and community affairs. The federation has worked together to back two zone-wide projects.

The Munich Men's Club conducted a lottery to collect enough money to produce a film on traffic safety. This film — an "excellent one," according to the club's American co-president, Chester A. Wright — will now be shown to audiences in all cities where a German-American club is located.

The second is the German counterpart of America's March of Dimes — dubbed the Pfennig Parade, and likewise initiated in Munich.*

The Pfennig Parade swept through Munich and marched into several other Bavarian communities, whether or not there was a club to implement its progress. Clubs and German civic agencies in other states of the British as well as the US Zone are jumping on the bandwagon. Although

* See "Pfennig Parade," in *Information Bulletin*, June 1950.

the Pfennig Parade was originally conceived to aid in research and treatment for polio, a number of communities anticipate staging their drives on behalf of tuberculosis, a disease more prevalent in Germany today.

BUT THE VARIETY of activities could not be contained in so general an outline as this. Reports from the 10 clubs represented—from Augsburg, Bremen, Giessen, Kassel, Marburg, Munich, Regensburg, Stuttgart and Wiesbaden — illustrated the great activity as well as the geographic spread enjoyed by the clubs.

Kassel's program, for instance, was divided into categories of interest: arts and crafts, music, book reviews, welfare and horticulture. Whatever happened to appeal to the membership had its counterpart in an interest-group.

Munich's women were boosters for an international youth library, and gave a tea to raise money for a non-profit German gift shop.

In Stuttgart, the German-American club sponsored exhibits of various young manufacturers, hoping to give them a lift in their climb to economic self-sufficiency. Club members are likewise backing construction of a dormitory-home for German women in the community.

Wiesbaden club women financed the showing of Walt Disney's "Cinderella" to 1,000 German children.

As delegates and supporters dug into the job of planning work for the future, they had as guidepost the statement of President Helen W. Hathcock of Wiesbaden: "Let us put each new project to the test of conformity with our goals lest we fritter away our energies in being merely busy, rather than useful."

And Dr. Read had told them this: "The psychology that Americans are Americans, and Germans are Germans, and 'never-the-twain-shall-meet' is the fault of both. Many American women here don't encourage their children to meet and mix with German children—an opportunity so many children in the States will never have. German families are afraid their children will be contaminated by the lack of discipline of American children. Both sides should work a little harder to do their part in this mutual-understanding business." He called for expansion of the federation's program, calling for co-operation among schools of both nationalities, and recommending "little exchange programs" within the communities.

JUST HOW SIGNIFICANT the convention would be in juggling both sides along this path had yet to be proved. But round tables on problems of membership, organization, projects and programs ferreted out the barriers and at least made recommendations for getting over them.

Some of the clubs, it was revealed, have restrictive memberships in order to maintain groups of workable size and, in some cases, to keep a balanced number of Americans and Germans. This has its drawbacks — there were



Top-level ambassador for the German-American Clubs is Federation president Mrs. Helen Hathcock, of Wiesbaden, re-elected to second term. (US Army photo)

isolated pockets of both Americans and Germans who wanted to funnel their impetus toward friendship through such clubs. "We have more interest from the Germans than we can handle," reported the membership chairman. For the most part, this was not so among Americans. The Marburg women's group, for instance, reported its club had failed twice before final consolidation. "First, we had too many people trying to do too much, but afterwards, we had trouble getting enough Americans—the turnover of people coming and going kept cleaning out our membership."

Marburg's membership is at present 12 Americans, 12 Germans. Other clubs

reported heavy over-balances of German members—Ansbach's roster stood at 39 to two, Bremen women at 50 to 15.

It was brought out that a German-American club movement of at least 11 groups exists in the US Zone but has not as yet been incorporated into the federation.

President Hathcock, a gracious, self-assured leader, said informally that she thought more Americans would join the movement were it not for three factors: a general apathy among some, the language difficulty—"that's a tremendous barrier"—and a negligible hangover of anti-German feeling.

But what were, after all, the motives held by both for joining these clubs?

A German expressed it thus: "At first I joined with some misgivings. I was afraid that it might be only another propaganda scheme—a means of trying to make me believe things I didn't want to believe. I soon found that it was instead an opportunity to get to know some Americans in a free and friendly atmosphere."

For the purpose of extending the German-American Clubs' sphere as well as its membership, a recommendation was forthcoming from membership planners to initiate teen-age counterparts of the adult clubs.

The program of the clubs and their federation did not appear to be the final answer for American-German amity but it was a start and contained most of the elements of the mutuality of thought toward which the occupation aims.

Certainly the movement had grown, spontaneously and steadily. It had become an association of alert and interested women—with the exception of the energetic Men's Club of Munich.

Perhaps its most notable characteristic was expressed by a German woman who was discussing with a group of young Americans the possibility of incorporating German university students into the clubs. "They are usually the people with the most progressive ideas," went the Americans' argument. "They'd probably revolutionize the whole friendship movement."

The German woman laughed and shivered in her chair. "Ah," she said. "We don't want a big revolution... We'd be better off with just a small revolution!" +END

School Kids Meet The Mayor

By ZENO STANGWILO

Resident Officer

Gelnhausen and Schluechtern, Hesse

SIX MONTHS AGO in Gelnhausen and Schluechtern counties, in Hesse, the Resident Officer inquired of his representatives how many towns were holding public council meetings. Not a single hand was raised.

The same question was asked at a similar get-together during April. This time the group gave an emphatic "yes." Council meetings, meetings of the county supervisors, and sessions of the lower courts have been visited by a stream of citizens — schoolchildren first and later their parents.

The new interest of the people and prominence of the public bodies have come about through the encouragement of a program sponsored by the Resident Officer and his staff. It was based on the Hessian statute of 1946, which called for public council meetings — a statute that had been almost completely by-passed in the two counties.

In the beginning, the RO observed a top-heavy reverence for the "mystical" workings of city and county executives. He reasoned that their exalted position was due in large degree to the citizens' lack of knowledge of the mechanics of government. The RO and his staff thereupon decided to fill this gap for the local populace — and target number one was the classroom.

AS THE PROGRAM went into operation last December, it was planned to have upper classes of each elementary school in both counties attend a town or village council meeting and write a short composition on their reactions to it. Writers of the four best essays in each school (judged by local teachers) were to visit a meeting of the county board of supervisors, then to discuss the sessions in their classrooms.

It was hoped that this little competition would not only teach the students something about government, but would stimulate further interest. At the same time the planners realized such an idea couldn't function profitably on its own hook. They spoke with the officials of both schools and local government. Their help was enthusiastically promised.

Setting up the "public" meetings took a bit of doing. For the most part, the mayors and their councils had been meeting in private living-rooms, discussing their business among themselves, and going quietly home without so much as hinting to their constituents what went on. To



Group of school kids, accompanied by teachers, visit local court and are briefed by judge (center) on processes of law.

invite children into the meetings meant finding more spacious public meeting places and organizing the sessions on some sort of official basis .

Both mayors and teacher groups received letters from their hierarchical superiors, asking co-operation. The RO personally attended county-wide meetings of mayors and school teachers, discussing with them the educational possibilities in the program. All the teachers — and almost all the mayors — agreed to support it.

So it was that in December government meetings were invaded by troops of attentive youngsters who in many cases were the first audiences the councils had ever known.

The meetings were held in schoolrooms, public restaurants and whatever halls were available. It was not a onetime occasion; students returned again, and parents, curiosities piqued by their children's reports, followed in their footsteps.

THE PROGRAM SNOWBALLED with the help of press articles, radio announcements and discussion of the council meetings in adult public forums.

From the council meetings, the program blossomed out into the courts and eventually into the county supervisors' meetings.

Representative groups of elementary schoolchildren and high school students went to sessions of the lower courts,

bent on learning about Germany's system of justice, the rights of the accused and the mechanisms of police agencies.

Before each session, understanding judges took time out to brief the youngsters on what would happen. They told the students of the rights each of them enjoyed as a private citizen and simultaneously encouraged them to consider their responsibilities.

So successful were these field trips that teachers asked the Resident Officer if they might attend meetings of the state legislature. One such group has already attended a plenary session and local representatives to the legislature have promised to take others in the near future.

To date, 2,035 young Germans have attended 60 local council meetings in the two counties. Meetings of the county board of supervisors drew 360 while 65 attended a court session. Thus the practical touch has invaded German courses in civics, and students are aware for the first time that the meetings of their representative governments are open to the public.

SOME OF THE UNDUE AWE in which the students and their parents once stood of their governments thus has been rubbed off.

When the participation of both students and parents is toted up, it shows that 8,009 persons attended the 218 public meetings held in both counties during the initial six months of the program. These figures must be considered in the light of the fact that the average population of towns and villages in the area is under 1,000.

By stimulating adult interest in the activities of their elected representatives, the program is providing voters with information essential to make them intelligent poll-goers.

It is bringing the mayors and their councils out from behind closed doors where they have conducted their business for years and is forcing them to learn and apply proper parliamentary procedures.

Perhaps most important, it is educating a new generation of voters and officeholders through a program approved and carried out through the counties' classrooms. +END

[Photos by Bethke (2), Boehmert and Geist]

Police Efficiency Improving

German police efficiency is continuing to improve, according to the monthly report of the Public Safety Branch, HICOG. During the year of April 1949 through March 1950, a total of 68.5 percent of the cases reported were cleared by the German police as compared with 66.2 percent during the previous year.

Although violations of the German law increased 12.7 percent in March 1950 over February, first-quarter figures for 1950 were lower than those for 1949 and 1948.

Illegal border crossings during March increased 32.2 percent over the previous month, probably reflecting a normal seasonal increase.

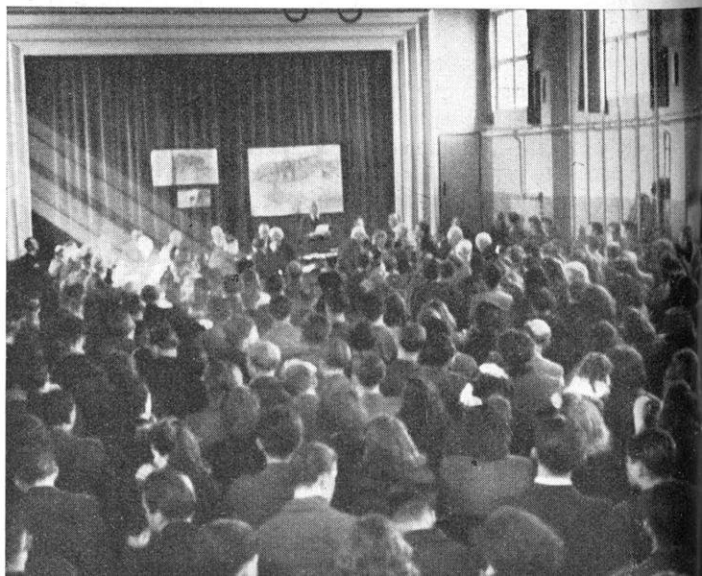


Youngsters filled spectators' benches in court to be told by judge (extreme left) just what their civil rights are.



These Hessian school children also have their day in the town council ("Gemeinderat") at a session in Lieblos.

School kids meet his honor the mayor at Schluechtern County supervisors' meeting, held for first time in public.





Typical of displaced population groups are (left) old and young Sudeten Germans arriving at Furth im Wald, Bavaria, in March 1950 after transfer from homes in Czechoslovakia; (center) little girl from Soviet Zone waits with her mother in Refugee Transient Camp in Giessen, Hesse, hoping to be given a haven in western Germany; (right) two little boys who had lost their parents and did not even know their names, shown in Hanover, Lower Saxony, as they arrive with 750 German children from East Prussia in the summer of 1948 to seek new homes.

(Photos by Dena, Claude Jacoby and PRB OLCB)

Emigration from Germany

By **GEORGE WEISZ**

Deputy Chief, Displaced Populations Divisions, Office of Political Affairs, HICOG

SOME OF THE 8,000,000 refugees and expellees uprooted by World War II and now sheltered in western Germany have not yet settled down permanently.

Many will join the large numbers of German immigrants who left Germany for new homelands in the last half of the 19th century. The majority, however, will remain in Germany and will become an integral part of community life of the German Federal Republic. This fact, contested by those who maintain the refugee problem is entirely international in character, is inescapable. It demands concerted effort on the part of the German government, good will on the part of the German population, and a high degree of adaptability on the part of the refugees themselves. Conversely, those elements in Germany which reject emigration in any form and number, contending that it would weaken the German nation, must also accept as a basic principle in a democracy that the individual must be free to move where and when opportunities beckon.

Recognizing that emigration is neither the cure-all nor the principal solution to the refugee problems in Germany, it is patently worth while to consider carefully the work which has been done and the work which is planned by individual nations and international organizations to develop emigration possibilities generally and for refugees in Germany in particular. Certain basic statistics underlie any consideration of these efforts.

THE WORLD-WIDE DEMAND for new immigrants has been diminishing ever since 1930; what is more, Germany's people have noticeably stuck close to home. The trend away from emigration was more radical in Germany than in any other emigration country in Europe even before general reduction became the rule elsewhere, due partly to the need for manpower here brought about by the delayed industrialization.

In the years 1930 to 1937 emigration from Germany totaled only 92,686. A large percentage of all emigration from Germany from 1933 onwards was due, of course, to the then existing political situation, and many emigrants were of the Jewish faith. At the same time the Nazi government was bent on inducing her former citizens and "Volksdeutsche" (ethnic Germans) to "return" to the Reich.

The downtrend of the thirties was in direct contrast to the last half of the 19th century when (from 1851 to 1895) approximately 4,500,000 Germans emigrated, most of them to America. However, in the decade 1920-1930 the urge to emigrate increased. This was true of most European countries after the war period. In fact, the tremendous influx of immigrants contributed materially to decisions made by the United States and other recipient countries to restrict their immigration quotas.

The emigration pressures of today are in many respects similar to those which developed after World War I. How-



Refugees from East zone wait in Giessen camp for names to be called after night of flight through woods and marshes.

ever, the generous and helpful attitude of recipient countries which have opened their doors to hundreds of thousands since 1945 contrasts with the attitudes of these same recipient countries which reacted to emigration pressures during the 1920's by reducing immigration possibilities.

SINCE THE REFUGEE problem in Germany is of such unprecedented magnitude that any means of solution are worth examining, emigration is a logical suggestion but it faces many practical difficulties.

In the first place, pursuant to Allied policy, displaced persons from Germany, Austria and Italy have first priority in emigration opportunities; there are still upwards of 500,000 DP's in Germany, Austria and Italy who should be helped to find haven abroad under this policy.

Secondly, it is doubtful if emigration except on a gigantic scale — 500,000 to 1,000,000 Germans leaving yearly for several years — would achieve the sought-for relief from population in equilibrium. In calculating the net decrease, one must take into account the automatic increase in the population of West Germany as births mount higher than deaths (311,000 more in 1949), and the continuing influx of refugees from the East. Some 300,000 of these German refugees crossed into West Germany in 1949, while only 20-25,000 Germans, refugees and native residents departed during the corresponding period.

Thirdly, it cannot be disregarded — indeed, it is axiomatic — that emigration is selective from the point of view of the would-be emigrant and by both the immigration and emigration country. The prospective immigrant wants to go to a particular country. The country from which he emigrates is understandably desirous that the least productive and unassimilable elements in the population leave the country, while the immigration country is bent on attracting the most productive elements. Thus it is too much to hope that the interests of all parties will coincide. This applies in Germany also.

In applying this understandable criterion to DP's, it has been the experience of the International Refugee Organization, that in almost every case the receiving countries have employed the most rigid selection standards among

the Displaced Persons, scrutinizing them as to occupation, health, age and general background. There have been notable exceptions to this, e. g., Norway's taking 100 blind DP's from Germany. There is no basis for belief that these rigid standards would be waived in the case of would-be emigrants from Germany. There are no doubt opportunities in Europe and elsewhere for young able-bodied men; but these represent the sector of the population Germany wants most to retain.

It is also logical to ask, where West Germany's excess population would emigrate to. A recent survey by the International Labor Office shows that under present conditions only a limited number of immigrants are required in most overseas countries, while former immigration countries within Europe are themselves beset with unemployment or overpopulation.

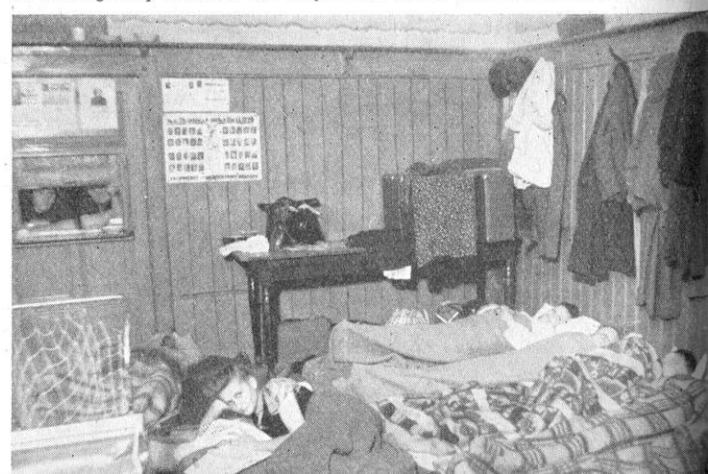
FROM JUNE 30, 1948 until July 1, 1950, the United States made 50 percent of the German and Austrian quotas available exclusively to persons of German ethnic origin who were born in Poland, Czechoslovakia, Hungary, Rumania or Yugoslavia and who were resident at that time in either Germany or Austria.

Under this Act, together with German fiancées and relatives of American citizens, however, less than 20,000 Germans had left Germany as emigrants to the United States in 1948. In a month, more than that many refugees entered West Germany from the eastern European countries: over 300,000 entered West Germany illegally during the same year. However, under the new US Displaced Persons Act, there is a provision which raises considerably (to 54,000) the number of German immigrants to the United States while this bill is in effect.

The United Kingdom has also permitted a limited number of Germans to immigrate into the British Isles, predominantly fiancées of British servicemen. Several thousand German nationals other than fiancées were also allowed to enter the UK as immigrants, among them large numbers of Sudeten women for the textile factories.

It is France that has taken the largest number of German laborers and immigrants out of Germany. In the first place they utilized in 1947 the services of about 500,000 German laborers, who were initially held in France as prisoners of war and were later discharged by the French, by offering them attractive terms to remain in France as free laborers. Subsequently the French introduced an ad-

Camp of Protestant Aid Committee at Selb, Bavaria, serves as emergency shelter for expellees from Czechoslovakia.





Mr. Weisz (left), author of this article, with Dr. Hans Ehard, minister president of Bavaria, as the latter explained Bavaria's refugee problem to American and German correspondents in Munich June 15. (Photo by Jacoby, PRD HICOG)

ditional incentive by allowing laborers' families to join them in France. On Jan. 1, 1949, however, only 50,000 of these German workers were still living in France.

PROBABLY THE MOST important development so far in the effort to unburden Germany of a portion of its refugee population, and thus relieve unemployment, is contained in a report to the United States House of Representatives by Congressman Francis E. Walter of Pennsylvania. Mr. Walter headed a sub-committee of the House Committee on the Judiciary which came to Germany in September 1949, to conduct an inquiry into the problem of the many millions of expellees and refugees.

A portion of the report reads: "The major solution of the problem of German expellees and refugees must lie in their local assimilation into the German economy. Whole-hearted acceptance of this inevitable fact by the German governmental authorities, German citizenry, and the refugees themselves, is essential to the achievement of integration. Although no successful estimate could be made at this time as to the numerical extent of their assimilation... about 7,000,000 persons could advantageously remain in western Germany."

But the remaining 1,000,000 of the refugees should, according to the report, be furnished with emigration outlets. He suggested in the report that the overwhelming majority of this number would be farmers, since there is much less possibility of their being employed in Germany than if they possessed other skills. It is suggested in the report that these agricultural skills could materially aid the Point IV program.

The Walter Report recommends that the President of the United States without delay take the initiative in calling a constitutional convention for a temporary international organization composed of the United States, the Federal German Republic, and immigrant-receiving countries, dominions and dependencies. "In view of the known

attitude of the Soviet-dominated countries and of the USSR to such and similar problems, and in view of the fact that those countries are members of the United Nations, this new temporary international organization should remain entirely outside the framework of the UN and in no way be connected with its machinery."

Even now, there are a number of organizations already working on the problem of emigration from Germany.

The Manpower Committee of the OEEC is making a continuing study of European populations and the possibilities for the free movement of labor. The International Labor Office, with its 30 years' experience in this field, is considering plans to send technical assistance teams into immigration and emigration countries for consultation purposes. These teams would advise governments on what industries should be developed to utilize manpower and from what sectors of the economy persons could best emigrate. At an ILO conference on migration held in Geneva in May-June 1950, David A. Morse, director general of ILO, stated in his opening address:

"Now more than ever it is imperative to deal with migration problems on a broad front. The ILO experience and that of other organizations and countries, indicates that migration cannot be handled successfully in small segments, since the various aspects of the question are too closely interrelated. Migration is a question of vital urgency from the standpoint of world economic and social development. Waste of human resources and waste of natural resources (in the world) can no longer be tolerated. The combination means lower living standards and poverty."

The shifting of populations from country to country and from continent to continent according to manpower needs would, the ILO emphasized, contribute to the economic well-being of all.

MIGRATION SINCE the end of the war has been handled through bi-lateral agreement between emigration and immigration countries or for Displaced Persons, between the IRO and immigration countries. But experience has demonstrated, according to the ILO, that migration problems cannot be solved by any one country or by any one organization alone; they must be handled on a multilateral basis.

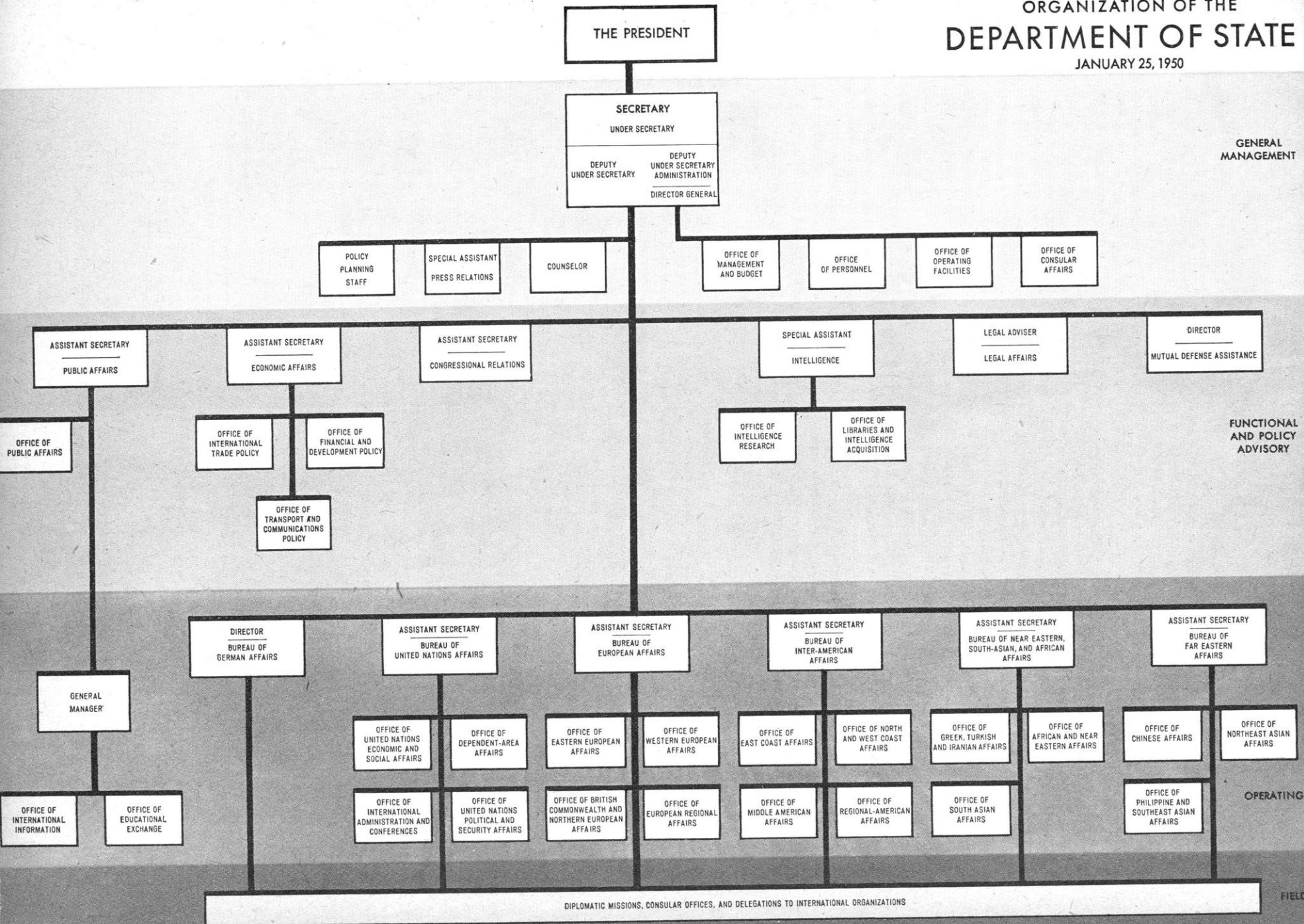
In this connection, the Council of Foreign Ministers, meeting in London during May, issued a statement recognizing the valuable work of such international efforts, and announcing that they would designate experts to make a general review of activities in the field, to determine whether additional approaches might be undertaken. "For this purpose they have agreed that they will designate experts to confer together... and to consult with the experts of other interested governments, particularly Italy and Germany in view of their major interest in the problem."

The way for large-scale emigration from Germany, while still in the planning stage, is thus within the realm of possibility now. But its realization depends on a multitude of factors and its ultimate benefits will rank second to those which will be derived from a program of refugee assimilation within Germany itself. This is the real challenge to a democratic Germany.

+END

ORGANIZATION OF THE DEPARTMENT OF STATE

JANUARY 25, 1950



GENERAL
MANAGEMENT

FUNCTIONAL
AND POLICY
ADVISORY

OPERATING

FIELD

The extemporaneous remarks by the Secretary of State following his radio address at the dinner meeting of the American Society of Newspaper Editors in Washington April 22 are reprinted for the information of HICOG personnel.

Our Department of State

Address

By DEAN ACHESON

US Secretary of State

THERE ARE SEVERAL things that I should like to talk with you about. Before I get on with the matters which I think have some substantive importance, I should like to clear away some trash which has gathered about the Department of State.

Now, in doing this, I feel that I have a qualification which is so unique that it almost amounts to a disqualification. That is, that I know what I am talking about. I have given 10 years of my life to the Department of State, and before that I served in two other departments of the government. During the course of that time I served on two commissions appointed by the President to study the operations of the Government of the United States. I have served under four Secretaries of State and under two Presidents. So I think I am entitled to say that I know something about the Department of State.

The first thing that I should like to say is in the nature of a categorical affirmation. I should like to say that never in its long and honorable history has the Department of State ever been in better shape than it is today. The Department is manned today, as it has been manned in the past, by able, by honorable, by loyal, and by clean-living American men and women.

It is also a representative department. People who serve in the Department are drawn from all over the United States.

There is no need for anyone to be defensive about the Department of State. What I want you to consider with me are facts.

FIRST OF ALL, when we are talking about this Department, let us look at its top command; let us see who the people are who are controlling and operating and directing the Department of State.

First of all, I don't have to tell you about the Under Secretary of State, Jim Webb. You know he comes from North Carolina. You know his record in the Budget Bureau and in the Treasury. You

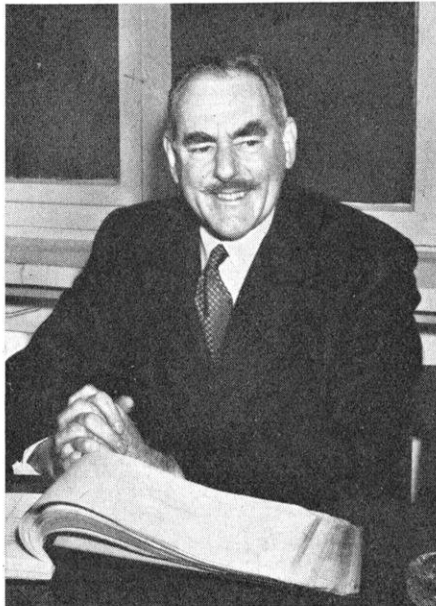
know what he did in organizing the Sperry Company before the war, when it grew from a little place of 800 people to a great corporation of 30,000 employees. You know what he did in the Marine flying service.

But the important point that I want to bring out tonight is that I do not know any man in the entire United States, in the government or out of the government, who has a greater genius for organization, a genius for understanding how to take a great mass of people and bring them together; so that he pulls out of them all the knowledge and all the competence that they have; so that each person is doing what he ought to be doing; so that the whole efforts of this vast group are pulled together to get a tremendously powerful result. And that is absolutely essential in the Department of State.

WHEN THOMAS JEFFERSON started the State Department it had six employees, including himself. Today we have 19,000 employees all over the world, and all of those 19,000 are being pulled by Jim Webb into one great consolidated effort, through a top command.

The third ranking officer in the Department is George Kennan. I don't need to tell you about George Kennan. You have read what he has written. You know his record. He comes from Wisconsin.

One of the things to which I have agreed, with deep regret, is that George Kennan should have a year off. He went to work for the State Department when he was 22 years old, and he has never had any time off since. What he wants to do is go to the Institute of Advanced Studies at Princeton and have time quietly to think about things and then come back to us. I have agreed to it, reluctantly, but we shall have him again. (Editor's note.—H. Freeman Matthews, formerly ambassador to Sweden, was nominated by President Truman May 18 to be Assistant Secretary.)



Secretary of State Dean Acheson.

(US Army photo)

THEN WE GO to another area of the top command, Assistant Secretary Jack Peurifoy of South Carolina. I don't need to tell you about him, except one thing, perhaps, and that is that in all the years that I have been in the State Department he has been with me. When he came to the State Department after he had been in West Point and had to leave on account of disease of the lungs (which, unhappily, I have come to know only too much about from one who is close to me), he very soon became my assistant. He is now the Deputy Under Secretary for Administration. He is in charge of administration. I shall come back to him again in a little while.

Then we have Jack Hickerson of Texas, a foreign service officer of 25 years' experience, whom we have taken out of European affairs and put into something which we want to stress, and that is the work of the United Nations.

Then we have George McGhee of Texas, a former oil man who worked with the government through the war, who was in the economic part of the government during the war, both in Washington and London, and back and forth a great deal of the time; who took charge of the administration of our Greek-Turkish aid; whom the President, at my recommendation, put in charge of our Near East and African work; and who, with incredible energy, has now visited every one of the areas under his control. He has visited and talked with leading men of every country of the Middle East and has just returned from a long trip to Africa.

It would be foolish for me to tell you about Ed Barrett who came from Alabama. He belongs to your profession. You know him. You know the great job which he is doing in overseas information which the President has picked out for such vitally important concentration.

We have put into the Far Eastern work Dean Rusk of Georgia. He was our Deputy Under Secretary for Political Affairs, and we thought that the whole Far Eastern

matter was so critical that we would take our senior political officer and put him into that work.

Walton Butterworth of Louisiana, who had been in that work, we put in charge particularly of working out some progress on a solution of Japanese matters, one of the most essential things that we must do. In him we have picked out an officer who has the confidence of General MacArthur, who has worked with the military establishment, who is a man of superb integrity and courage. (Editor's note.—Mr. Butterworth was nominated by President Truman to be ambassador to Sweden.)

In case you don't know as much about Walton Butterworth as you do about some of these others, I will remind you that he is the man who had charge of our economic warfare activities during the war in Spain and Portugal. It was he who was in that plane that fell into the river and broke apart at Lisbon; it was Walton who was in the sinking part of the plane in which most of the passengers were trapped; who broke the window through; who pushed his fellow passengers out of the window while the plane was filling up; who then got himself out, kept those who could not swim very well afloat, and helped them onto a wing that was floating. Finally, when the boats came out and picked them up after a very long time and Walton was taken ashore, what do you suppose he had in his hand? It was his briefcase containing his secret papers. That is the type of officer we have in the State Department.

THEN WE HAVE as our Legal Adviser, ranking with the Assistant Secretaries, Adrian Fisher of Tennessee. And I note, as I go along here, that we seem to be loaded up with old-fashioned southern "communists"—no doubt of the Cordell Hull, Walter George, Tom Connally type.

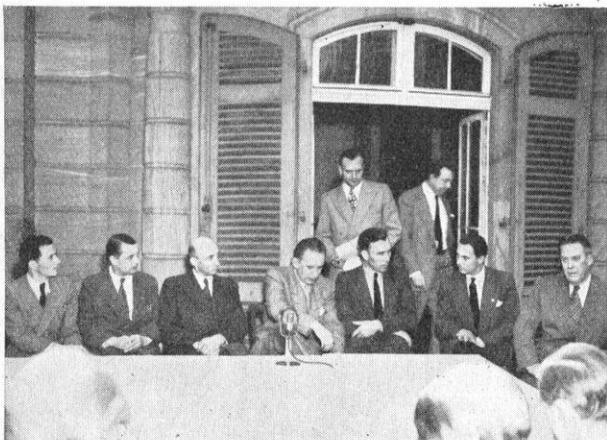
Adrian Fisher was a bomber navigator during the war; later Solicitor with the Department of Commerce; Legal Adviser to the Atomic Energy Commission, and now the Legal Adviser in the Department of State.

I suggest to people, in the interest of their own security, not to fool with Adrian Fisher. Not only was he a former bomber navigator, but he was a former captain of the Princeton football team. Charges lightly made about him might have serious personal consequences.

Eddie Miller of New York was born in Puerto Rico, brought up in Cuba, and then in New York. He speaks Portuguese and Spanish as easily as he speaks English. He is a former partner of Mr. Dulles. He has just returned from two trips to South America in which he has put our relations with the Southern Hemisphere on a basis on which I think they have never been before. They are on a sensible, sound basis of mutual advantage, and both they and we know that we both really mean business when we talk, and when we talk we want to talk business.

George Perkins of New York is a businessman of distinction, who had gone with Paul Hoffman and was working with him in Paris. Paul, with great generosity, let me take him to be in charge of our European affairs.

Willard Thorp of New York is in charge of economic matters. He is an economic expert; a former director of



Six officials and employees of the Polish Consulate in Frankfurt May 8 presented themselves to Harold P. Cardigan (right), Frankfurt Resident Officer, requesting asylum in Western Germany. Their request was granted and they were immediately escorted to German police headquarters for registration. (US Army photo)

the Bureau of Foreign and Domestic Commerce in the Department of Commerce; a former partner of Dun & Bradstreet.

Jack McFall of Colorado and Indiana has charge of our relations with Congress. He has spent 15 years as the assistant clerk of the Appropriations Committee of the House. If there is anybody who understands, and really understands deeply, the necessities of close relationship between the House and the Senate and the Department of State, it is Jack McFall.

THEN IN CHARGE of a very important branch of our work, dealing with the new government of Germany and German problems, we have a regular colonel from the United States Army, Col. Henry Byroade, who was lent to us by the Army—and whom I wish I could steal permanently for the State Department.

In charge of the planning staff is Paul Nitze of Massachusetts, former partner of Dillon, Read, a man who went all through the war and was awarded the Medal of Merit for his economic-warfare work.

In charge of our press relations, we have that old friend of yours, Mike McDermott—and you know what sort of a "communist" he is.

In charge of intelligence work is Park Armstrong of New Jersey, a man who all through the war was dealing with this incredibly important business of the evaluation of intelligence. Don't for a moment believe that the important thing to do is to send someone out with rubbers, dark glasses and a false mustache, to try to steal some paper or find out something. The important business is the evaluation of what you get, either by secret operations or much more importantly, the material which just pours in on you. Secret material is a dime a dozen.

We had, not so long ago, a most interesting and exciting paper planted on us by one of our enthusiastic friends abroad, and it caused a little flurry. But it was Park Armstrong's cool people who discovered in a short time that it was a phony from top to bottom and saved us from the obvious purpose of their planting it on us.

In charge of the great military program for which we and the Defense Department are jointly responsible, we had Jim Bruce of Maryland. Now that he has resigned, Jack Ohly of New York is taking it over.

Now, we have also brought in Phil Jessup, Senator Dulles of New York and Senator Cooper of Kentucky. You can imagine how helpful they would be in covering up all "subversive" activities.

HERE IN THIS TOP command, I say to you, we have men as distinguished, as able, as powerful and as vigorous as any of my great predecessors, from John Marshall to George Marshall, ever had in the Department of State.

Furthermore, we have carried out a reorganization which is based on these men being the operators of the State Department. They are not people who sit around and argue with one another. Each one of them is responsible for carrying out a job, and the policy under which he carries it out is worked out through the plan-



Hesse's new resident officers, specially trained at the Foreign Service Institute in Washington, D.C., received their first briefing on Hesse, second largest state in US Zone, May 8. Pictured, l.-r., are Jonathan Dean, New York City; Robert Leroy Ouverson, Watertown, S.D.; Earl Henry Lubceansky, Marshall, Mo.; Charles T. Butler, Sanford, Fla.; John P. Shaw, Washington, D.C.; John Cain, program analyst, OLCH, of Falls City, Neb., who briefed the new arrivals; Thomas C. Stave, Seattle, Wash., and John D. Gough, Shenandoah, Ia. (PRB OLCH photo)

ning staff, with the co-operation of all of these men. The policy is laid down and they are given their authority.

I don't sit behind them and pull their coat tails or look over their shoulders. I am kept informed, by the central secretariat, of everything that happens. I am permitted to get in, if I wish to, before something is done, but I don't wish to do that. These men are too good. They cannot hesitate. They cannot be saying, "What does the Secretary think?" They know what the policy is, and they go out and operate. Then we post-audit the operations; we change the policy if it is not working, but they are given responsibility and they are well able to carry it.

So I say to you—this is something very, very important, and I suggest that you ask your correspondents in Washington whether what I say to you is true—that today, as rarely before in the State Department, there is no backbiting, there is no jealousy, there is no undercutting. You have an organization of people which is loyal to those within it, which is loyal to the President of the United States and which is loyal to the United States of America.

LET US TURN for a moment to the career service. The career service, made up of the Foreign Service and the departmental offices, is equally in good shape. This is a service of men and women who are giving their entire lives to the United States, not for a few years, not even 10 years, as I have given, but their entire lives, from the time they are young men until they retire at the end of their service. They are giving their whole lives to the United States. They are competent, they are courageous, and they are devoted.

Only this past week, two of our missions were bombed. That is not a pleasant experience. Have any of you ever had it? Have any of you ever had a bomb tossed in the window of your house and had it go off and injure people? Two of our missions have been through that this week. Fortunately, no one was killed, but many people were hurt. Do these people want to come home?

Do they say, "This is too dangerous?" Not at all. This is in line of duty. They know their duty. They perform it. It is quite likely that they may be killed, but there is no squeak out of them.

We have just had an officer home who had been held by the Chinese communists for a year, many months of which he spent in jail, under conditions of incredible hardship and torture. At the direction and request of President Truman, he is going about the United States telling people of what was done to him. Does he ask to retire? Not at all. With great difficulty, we are keeping him in the United States doing this. He wants to go back to the most difficult area that we can find for him. He is not asking to quit. He is not asking for sympathy. This is his duty. He likes it. He wants to go into it again.

We have scores of our people who are now in Chinese cities which are being bombed by the Chinese Nationalists. Are they whimpering about it? Not in the least. They were ordered home because the President decided that was the wise policy. They were perfectly willing to stay there and take whatever came to them.

WE HAVE SCORES of people through southeast Asia who are in areas of hot war—Indo-China, the Philippines, Malaya, Indonesia. Bullets are flying all the time. It is not a cold war in those areas; it is a hot war. And these men and their wives and their children are there, and they are doing their duty. They don't ask to be transferred. They know it is their duty, and they are performing it.

And in other places, in Africa and other parts of the world, we have men with their wives and children who are in situations of the greatest danger, so far as their health is concerned. They are living under very unhealthy conditions. If they are ill, they take their chances under the most primitive medical conditions. There are no schools. There are no oculists to take care of the children's eyes. There are no doctors to give them all the inoculations which your children take. None of those things are available. They don't complain. This is their duty. This is their life. All they ask is that occasionally they be transferred to some situation which is not quite so tough.

Then there are others who are behind the Iron Curtain, and there they are treated as criminals. They cannot have any association with anybody. They cannot have any of the ordinary pleasant relations that all of you have. Anyone who meets them or talks with them will be in jail the next day and possibly hang the day after that. They have to live in a little circle, seeing the same few people day after day after day. But that is their duty, and they are carrying it out.

Here, again, there are no schools. And if you have a toothache and you want to go to a dentist, you don't call up a dentist; you call up the Foreign Office, and the Foreign Office calls up the secret police, and the secret policeman makes an engagement and comes and sits right beside you in the dentist's chair to be absolutely sure that



An appeal from a Detroit woman for assistance to a destitute family in Bavaria drew prompt response from Neuhberg's 86th Air Base Group, which subscribed to buy a truckload of food, clothing and supplies which an all-Detroit team headed by Sgt. Anderson (at left in photo) delivered to the appreciative family. (USAFE photo)

the dentist does not take a message out of your tooth and give it somebody else.

Those are the circumstances under which these people live.

I DON'T HAVE to defend these people. There is no reason in the world why they need any defense.

I should like to suggest to you that you would find it a very interesting exercise to try, in your papers, an open letter to these Foreign Service officers of the United States, who are now your front line of defense, who are serving you in these dangerous and difficult parts of the world. Explain to them the attacks which are being made upon them and upon the service of which they are just as proud as you are proud of the profession to which you belong. Explain to them, if you can, what is happening to this country behind them.

Explain to them why it was that during the war we had USO's and letter-writing campaigns and everything in the world for the soldiers at the front to show them that the country was behind them and recognized the sacrifice that they were making; and try to explain what is happening now when it comes to these "soldiers," these people who are in the front line of the defense of their country. Explain that to them if you can. You will find it difficult to do.

That is the Department of State as it exists today.

IT IS NOT STRANGE that efforts should be made to penetrate this Department. Efforts of that sort have been made throughout the history of the United States, and they are being made today.

In the past, these efforts have been made by professionals. But with the spread of this fanatical doctrine of Communism, the old profession of professional spies is under competition from amateurs.

Now, this creates difficulty. We are familiar with the methods of counter-espionage and the security methods which we have used in the past to protect ourselves from professional spies. In the last few years we have had a

new problem to solve — and we have gone about solving it.

There is a right way to solve that problem, and there is a wrong way to solve it. The right way to solve the problem is to go at it from the point of view of meeting the evil which confronts you and preserving the institution which you are trying to protect. The wrong way is one in which you do not meet the evil that you are attempting to meet, but you destroy the institution that you are trying to protect. Not only do you destroy that, but you destroy the faith of the country in its government and its institutions. You destroy the faith of our allies in us and you delight our enemies. Those are the right and wrong ways.

The right way was set up by General Marshall in 1947 in the State Department. It was set up under the directive of the President setting up the whole loyalty program. I have never known a man I thought had a surer judgment about people than General Marshall has.

And General Marshall picked out Jack Peurifoy to take charge of the loyalty program in the State Department. He took charge of it. He worked at it through General Marshall's administration. When I came, it seemed to me that there was absolutely nothing better that I could possibly think of to do than to confirm Jack Peurifoy in that particular job. I did, and I have never had occasion to doubt that I did the right thing.

He is not trying to do all this by himself. He has a security staff under a former FBI agent, who is recognized as one of the ablest men ever trained in the service of the FBI. He has a staff of 74 investigators who carry on our investigation work. That is not the only staff that does it. Mr. Hoover's FBI co-operates fully in the whole process.

By one method or another, all people who come into the Department and all those who are in it have gone through a thorough screening process. This is a process

which is not based on the idea that all these people are crooks. It is a process which is based, first, on protecting the United States but, at the same time, protecting the individuals' rights, protecting their reputations, urging and permitting them to continue to serve the United States with enthusiasm.

SEARCHING EXAMINATIONS are made, so that if we find anything which causes trouble in our minds, we then put it into another level of screening. It goes to the Loyalty Board in the State Department.

General Conrad Snow is the chairman of that board. He is an old-fashioned New Hampshire Republican "communist," a man who, incidentally, is vouched for by Senator Bridges.

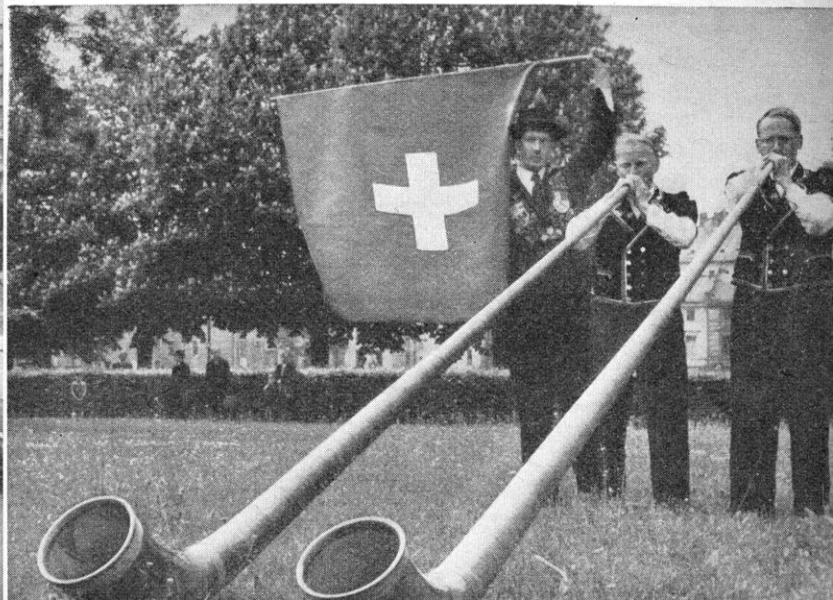
That board, and the people who work on it, have gone through every single case about which any doubt has arisen.

When they get through with it, whatever recommendation is made — whether it is that the man be cleared or that he is not cleared — the whole matter goes on again to the President's Loyalty Board, headed by Seth Richardson, a former Assistant Attorney General under President Hoover, with a group of associates not one of whom works for the Government of the United States. All of these people are private citizens who are giving their time, their effort and their devotion to the Government.

That is the right way. The wrong way is to smear everybody's reputation; to make charges on the basis that, if one is not right, you try to find another one you hope will stick; to try to destroy the confidence of people in their Foreign Office and in their Government in one of the most critical hours of this nation's history — to do all of those things, and to make it absolutely certain, as a result, that under no circumstances could you ever possibly find a spy in the whole place. It is as though



HICOG personnel were serenaded May 23 by 77 members of the Swiss Folklore Union who interrupted a return trip from Copenhagen to play a big "Hello" on lawn in front of Headquarters Building in Frankfurt. Group represented six towns and appeared in native costume. They gave a second performance in the Roemerberg, section of old Frankfurt. Resounding calls on huge Alpine horns (right) were a quaint feature. (PRD HICOG photos)



you said to yourself that the best way to find a fire is to ring every fire alarm in the city; not that you know of any fire, but if you get all the apparatus out and have it wheeling around through the city, you might find one.

BUT I THINK what is going on is much madder and much more vicious than that. It reminds me more of that horrible episode in Camden, N. J., which happened not so long ago, when a madman came out on the street in the morning with his revolver. With no purpose and with no plan, as he walked down the street, he just shot people; one was a woman coming out of a store; a man with his wife in an automobile. That automobile happened to stop because the light turned red. The car ahead of him went on. The car behind him was not where the madman was. So the madman just walked up and shot everybody in the car, without sense, without purpose, without direction.

You remember, I am sure, that poem of Browning's called "Caliban Upon Setebas." Caliban is talking about this horrible amoral god of his. He says that his god operates in the way that Caliban himself does on the beach. Along comes, says Caliban, a procession of crabs going down to the sea across the sand. And he says something like this: "I stand there and I let 20 go by. The twenty-first I pick up and tear off a flipper. I let three more go by. The next one I crush in order to watch it wiggle in agony on the sand," and so on. It is that degree of vicious madness which has been going on here.

Now, I don't ask you for sympathy. I don't ask you for help. You are in a worse situation than I am. I and my associates are only the intended victims of this mad and vicious operation. But you, unhappily — you by reason of your calling — are participants. You are unwilling participants, disgusted participants, but, nevertheless, participants, and your position is far more serious than mine.

As I leave this filthy business, and I hope never to speak of it again, I should like to leave in your minds



Marking the lifting of the last restriction on outgoing international telephone calls from western Germany on May 15, Mrs. Christel Liebler of Frankfurt made a call to Lawton, Okla., to talk with her daughter, Mrs. Emmy Tingler. Witnessing the call were (left to right) H. Liebler; Dr. Hans Steinmetz, state secretary of the Federal Ministry of Posts and Telecommunications; Eugene H. Merrill, chief of the Communications Branch, Office of Economic Affairs, HICOG; C. A. L. Nicholls, assistant controller general, Office of the UK High Commissioner. The call was made from the new radio telephone station recently built in Bonames near Frankfurt at the cost of DM 2,500,000 (\$595,000). Prior to lifting the restrictions, international telephone calls originating in western Germany and western Berlin were limited to occupation personnel and German holders of special permits issued only to import and export firms. (PRD HICOG photo)

the words of John Donne in his "Meditations," in which he says:

*Any man's death diminishes me, because I am involved
in mankind.
And therefore do not send to know for whom the
bell tolls;
It tolls for thee.*

+ END

Bremerhaven Making New Bid For Passenger Traffic

To re-establish its former position in transocean passenger traffic, the port of Bremerhaven has completed the construction of new passenger facilities replacing the Columbus Quay, the so-called "Railroad Station at the Sea" which burned down during the war.

Participants in the reopening ceremonies included Capt. Charles K. Jeffs (USN), US state commissioner for Bremen; Dr. Hermann Apelt, senator for ports and shipping; O.M. Taylor, chief, Economic Affairs Division, OLC Bremen, and representatives of local and foreign shipping agencies.

The passenger facilities, constructed at the Bremen State's expense and costing DM 2,500,000, consist of a large building containing waiting rooms and offices for

the customs, quarantine, mails, railroads and exchange of money; as well as two railroad platforms and a highway between the station and the city.

In addition, two quays 812 and 985 feet in length, with enough water for ships up to 50,000 tons together with drydock facilities for the biggest ships in existence, now enable all North Atlantic passenger shipping lines to use the port of Bremerhaven.

In his opening speech Dr. Apelt expressed the hope that these new passenger facilities will re-establish a considerable part of Bremerhaven's former passenger capacity, once one-third of all Germany's North Atlantic passenger traffic.

Validity of Mandatory Leases Affirmed

ASSURANCES FROM the US High Commission that mandatory leases on German newspaper plants, established by the US Military Government, would continue in effect, brought praise from Franz Karl Maier, president of the Association of Newspaper Publishers in the US Zone.

"(Your statement) is encouraging not only for us, who have assumed... the task of developing an independent democratic press in Germany; I am also convinced that other progressive democratic forces which are not in the press field will welcome this attitude as a source of encouragement for themselves."

The statement of reassurance came from Ralph Nicholson, director of the Office of Public Affairs, HICOG, in answer to an inquiry from Mr. Maier. Mr. Nicholson informed the German publishers that the Newspaper Leases Review Board, set up to review proposed changes in mandatory leases, continues to exercise exclusive jurisdiction in the field.

Mr. Maier had asked whether or not any changes in terms of leases would have to be approved by HICOG, and inquired about the competency of German courts in disputes arising between publishers and owners of leased property.

AT WAR'S END, newspaper publishers licensed by Military Government were permitted to operate from printing plants temporarily seized by OMGUS. Subsequently, leases were negotiated between the publishers and owners of the property for use of the printing facilities. It was at this time that the Newspaper Leases Review Board was established.

The mandatory lease policy aims at strengthening the German democratic press by assuring publishers of plant tenure until proper facilities can be obtained.

Mr. Maier's letter said: "In publishers' circles recently doubts have been repeatedly voiced concerning the validity of newspaper leases concluded in co-operation with Military Government and concerning offices competent to deal with disputes concerning these leases. The owners of printing plants often attempt to exploit these doubts.

"It would be very valuable to our members... to receive an official statement from the High Commission... regarding the following questions:

"Do changes in the terms of these leases still require an approval of the US High Commission; if so, which office?

"Are German courts competent to deal with disputes arising from such leases or does the Newspaper Leases Review Board still have exclusive competence...?"

He also inquired whether recognized restitution claims affected in any way the leased facilities.

MR. NICHOLSON'S REPLY stated that the powers and authority vested in the Newspaper Leases Review Board have been specifically continued by the US High Commissioner.

He cited Allied High Commission Law No. 13 to say that "no German court shall render a decision impeaching the validity or legality of any regulation, directive, decision or order published by the Military Government, and that questions as to the existence, terms, validity or intent of any order of Military Government must be determined by the Occupation Authorities. It follows that... only the Occupation Authorities are competent to determine and construe the existence, terms, validity or intent of the voluntary and mandatory leases and the job-printing contracts formulated... under Military Government directives... and that German courts have no competence in cases involving these issues."

"The recognition of a restitution claim to property subject to one of the newspaper leases in question does not terminate the lease nor affect its validity... These leases can be terminated or altered therefore only by the Newspaper Leases Review Board."

Mr. Maier's letter of gratitude included the following:

"Your explanation... dispels much of the uncertainty and the worries which have been a burden to my colleagues in recent weeks and which sometimes more than hampered the formulation of business plans. Moreover, your statement made it plain that your government wishes to maintain intact the basic principles of press policy which were applied in Germany after the surrender."
+ END

Families of Gelsenkirchen Mine Disaster Victims Given CARE Parcels

One hundred and twenty CARE food parcels were presented to the mayor of Gelsenkirchen as America's emergency contribution to the families of miners killed or injured in the disastrous Ruhr explosion in May. The underground blast took the lives of 73 men and left 25 or more severely injured.

The gift was intended as temporary relief to the stricken families and represents an American donation of about DM 5,000 worth of necessary foodstuffs.

"We consider it part of our job in distributing American relief supplies," explained E. Finley Wiseman, chief of the CARE Mission to Germany, "to try to be on the spot after disasters or emergency occasions with whatever supplies we have available. I am sure that the American donors of these parcels will realize that this is the best possible use for their gifts."

The CARE packages were diverted from CARE's Dueseldorf warehouse and turned over to the Gelsenkirchen mayor by the British Zone CARE Mission. Emergency donations of this sort are taken out of the "general relief" category of parcels in which Americans order gift packages designated only for "a needy person." The volume of this type of giving has reached more than DM 20,000,000 worth of foods and textiles out of CARE's total volume in Germany of more than DM 200,000,000 worth of goods.

German Participation in International Bodies

IT IS THE POLICY of the Allied Governments, announced in the Petersberg Protocol, to promote and encourage German membership of all the recognized international bodies. In this regard the Petersberg Agreement states:

"The High Commission and the Federal Government are agreed to promote the participation of Germany in all those international organizations through which German experience and support can contribute to the general welfare."

Since the Petersberg Agreement was signed, considerable progress has been made in the accession of Western Germany to international bodies.

Following is a list of international organizations to which the Federal Government adheres:

1. Organization for European Economic Cooperation (OEEC).
2. International Authority for the Ruhr.
3. Customs Committee of the European Customs Union Study Group.
4. International Union for the Publication of Customs Tariffs.
5. International Wheat Council.
6. Central Rhine Commission.

Following are the organizations and conferences in which the Federal Government has participated or will participate:

1. Meetings of Contracting Parties to the General Agreement on Trade Tariffs (GATT). (German observers.)
2. Third Assembly of the World Health Organization (WHO). (German observers.)
3. International Anti-VD Commission of the Rhine (WHO). (Part of WHO.)
4. International Labor Organization (ILO) Conferences:
 - (a) On Social Insurance and Working Conditions of Rhine Boatmen (Oct., Nov., Dec. 1950). (German delegation.)
 - (b) 33rd Session of ILO Conference. (German observers.)
 - (c) Committee for Chemical Industries (April 1950). (German observers.)
 - (d) Preliminary Conference on Migration (April 1950). (German observers.)
 - (e) Preparatory Tripartite Technical Conference on Training Adults. (German observers.)
5. Invitation extended by Dutch Government to Federal Government to send a representative to Conferences of Italian and Austrian Experts on Tobacco Production to be held in Rome in September 1950. (German delegation will attend.)

6. Conference on the Control of Plant Diseases—Holland, April-May 1950. (German representatives attended.)

7. International Committee for Colorado Beetle Control, Florence, Jan. 1950. (German representatives attended.)

8. Conference on Agricultural Technology held under FAO auspices in Geneva in March 1950. (German observers.)

9. Meeting of the International Seed Testing Authority (US-Government sponsored). (German observers.)

10. Biennial Art Exposition, Venice, June 1950. (German exhibits.)

11. International Congress at Groningen, June 1950, on occasion of the 160th anniversary of the founding of the Royal Netherlands Institute for the Deaf and Mute. (German representatives attended.)

12. International Poplar Committee, Geneva April 18-21. (German experts attended.)

Following are the international organizations in which German participation has been or is under consideration by the Allied High Commission:

1. United Nations Food and Agriculture Organization (UNFAO).
2. United Nations Educational, Scientific and Cultural Organization (UNESCO).
3. International Committee for Bird Preservation.
4. 28th International Industrial Exhibition, Padua, June 1950.

Following are the international organizations in which participation has been invited and is under consideration by the Federal Government:

1. International Patent Office at the Hague.
2. International Wine Office.
3. International Commissions, established under the Fishery Convention of June 1885 among the Netherlands, Switzerland and Germany, on (i) Rhine Pollution and (ii) Salmon Fishery.
4. 24th International Congress on Sociology to be held in Rome in Sept. 1950.
5. UN Social Activities Division.
6. The International Office for Animal Diseases in Paris.
7. Eighth International Congress of Agricultural Industries (Invitation from Permanent National Agricultural Committee of Belgium).
8. International Refrigerator Car Company.
9. 14th Levant Fair, Paris, Sept. 1950.
10. Permanent International Agricultural Exposition in Teheran, Oct. 1950. +END

Defense of Democracy

Address

By JOHN J. McCLOY

US High Commissioner for Germany

THE AMERIKA HAUS* in Hanover is the first United States Information Center to be established outside the United States Zone. In the coming months we expect to open *Amerika Haeuser* in Bonn, Essen, Hamburg and Mainz, as well as auxiliary reading rooms in other major cities in northern and western Germany. Like the 25 *Amerika Haeuser* in the United States Zone, these centers will be financed completely by the people of the United States.

The expansion of the *Amerika Haus* program could not have been accomplished without the full co-operation of the German, British and French authorities. I should like to express my sincere thanks for their support. I want them to know that we shall do everything to reciprocate their help and good will.

This *Amerika Haus* is a house of freedom. It will be, I hope, a friendly house where men and women, particularly the young, will come to read, to study, to see and to hear. No one is compelled to come; no one is compelled to return. Here you will be able to learn about the good and the bad in American life; here you will be able to find materials to help towards an understanding of the world of today. Here, above all, I hope you will find something of the open-mindedness and tolerance which, despite some lapses, are the fundamentals of American life.

LADIES AND GENTLEMEN, a week ago today (on May 15) I returned from the Conference of Foreign Ministers in London. In the light of that conference I would like to summarize our policies and objectives in Germany as I view them. So that there will be no misunderstanding I want to make clear that no startling changes of policy were made at London. There was a restatement of a policy which had guided us in the past year. There was a clarification of views.

It was recognized that the world is divided between the free peoples of the West and the oppressed peoples under Soviet domination. The line of demarcation runs through the middle of Europe, through the center of Germany. Spokesmen of the West have stated before and I repeat today: it is the goal of the Western Powers to help Germany to democratic unity under a free government, freely elected. The Communists are opposing this unity. We are doing and shall do everything possible to promote it. At the same time we are doing and shall do everything we can to promote peace in Germany and the world.

The German people, I am sure, have made up their minds that they are a part of the free world and that they have turned their backs on dictatorship, whether from the Right or the Left. There is no choice in the world today for a people that seeks

* German name for US Information Center.

freedom. All must unite against oppression. A strong Western community of peoples is the best guarantee that Germany will not be turned into a battleground. For it is only in unity with the Western peoples, it is only through the development of free institutions in Germany, that Germany can become strong. All efforts based on other measures can only lead in future, as they have in the past, to wars and destruction. I repeat:

A united and strong Western community is the best and only guarantee of peace for Germany.

WE ARE NOW in a period, as we have been for the past year, of co-operation with the German people and leaders to help them develop a healthy, new state. Co-operation is necessary not only for the sake of Germany, but also for the restoration of Europe as a vital, united community. There is no longer time or place to speak of conquest and collaboration. There is only a time and place for co-operation and unity because the future of Europe is at stake. I want to re-emphasize that we are engaged in a joint enterprise, an enterprise in which the British, French and American troops in this country are no longer primarily an occupying force, but a force defending Germany and Europe against a revival of dictatorship and oppression.

I should like to make a second point. German economic recovery has been remarkable, but the economic test ahead is still a large and serious one. Germany has an extremely serious dollar-problem, probably better understood if I refer to it as a *Devisen* (foreign exchange) problem. As Secretary Acheson has said, 1952 will not mark a terminal date of American interest in Europe, but Germany, as well as other European countries, must begin to think and act realistically in order to meet this economic situation. Continuance of aid in its present form and extent is not feasible.

It is important to understand what has been responsible for the great economic recovery that has taken place in western Germany since 1945. Two major factors are involved. One is the German people. The German people have worked hard and faithfully to rise out of the ruins. They have given the world an outstanding example of their capacity to work on peaceful projects. This readiness and the ability of the German people to rebuild their homes and their cities constitutes a good omen for the future.

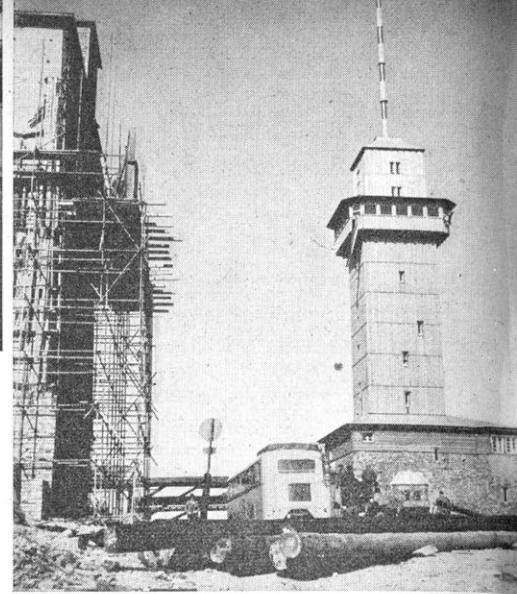
It is well to keep in mind, however, that a man or a people cannot work unless there is food to eat and raw materials to process. The United States has fortunately been in the position to provide great quantities of the food and raw materials which Germany lacked. The Mar-

This article is the text of an address given by US High Commissioner John J. McCloy at the opening of the US Information Center in Hanover May 22.



US High Commissioner John J. McCloy spoke at ceremonies held June 1 at the Feldberg, in the Taunus Mountains, near Frankfurt, to dedicate Radio Hesse's new 10 kw. frequency modulation transmitter. Above, center, Dr. Ludwig Erhard, federal minister of economics, and Major E. Doane (right), AFN's executive officer. At right the newly-constructed radio tower.

(Photos by Jacoby, PRD HICOG)



shall Plan has helped keep the German people alive and it has made available the materials with which to work. We see, therefore, that German recovery has been the result of co-operation among us all.

It is a warning that in the years ahead, as in the years that have passed, friendly co-operation and understanding are vital. That understanding will help Germany to produce more, to sell more abroad, to narrow the *Devisen* gap. In other words, that understanding will help Germany to find the means to make up for its lack of indigenous food and materials so that the German people can continue to work and to progress.

CONSIDERATION OF economic problems in Germany leads to the political and psychological. I think it is difficult to over-estimate the importance the world attaches to a peaceful and democratic development in Germany. We know that a free and democratic German society, in which every German feels that he as an individual is free, is one of the best guarantees of peace in Europe. Such a free society would make Military Security Boards superfluous. It would be a better guarantee than all the artificial controls that can ever be erected.

It is our purpose to help you create such a society. We know that it cannot be done overnight. We know that it takes persistent effort and patience to overcome long established authoritarian patterns and to eliminate the rust of the Hitler years. The maintenance of free institutions and the preservation of individual liberties are in every country, my own included, obtained only at the price of eternal vigilance.

I should like to quote a few sentences from the *communiqué** on Germany issued last week by the Western foreign ministers:

The Western Powers desire to see the pace of progress (toward elimination of controls) as rapid as possible. Progress will depend upon the degree of confident and frank co-operation displayed by the government and the people of the Federal Republic. In the first place the pace will be determined

by the extent to which the Allies can be satisfied that their own security is safeguarded by the development in Germany of a desire for peace and friendly association with themselves.

In the second place the pace will be set by the rate at which Germany advances toward a condition in which true democracy governs and the just liberties of the individual are assured. Therefore, the Western Powers wish to emphasize most strongly that the natural desire of the German people to secure a relaxation of controls and the restoration of the sovereignty of their country depends for its satisfaction only upon the efforts of the German people themselves and of their government.

YOU MAY ASK: What do we mean by democratization? Let me give you a few examples.

The Allied High Commission recently lifted the disapproval of the Civil Service Law after reassurances from the *Bundesregierung* (federal government). There was a basic reason for that provisional disapproval. It was to help insure that the German civil service would be democratically administered. The German people recognize the importance of civil servants. In times past German civil servants maintained high standards. Under Hitler some civil servants became autocratic and even debased. One of the fundamentals on which we sought assurance was that civil service positions in the new Germany must not be political and that they should be open to all citizens.

Friendly negotiations have now given us the promise of a good law. It is our hope that in the months and years ahead the implementation of the temporary law and of the final law will guarantee a democratic civil service in Germany.

We recently took action in the field of industrial and economic democracy. I am sure that many of you may have wondered why the High Commission has questioned certain handicraft laws which carry in certain of their aspects old traditions of closed guilds. Here again we feel that there can only be a healthy development of society if each man and woman, each young person has

* For full text, see "Declaration on Germany," page 61.

a chance to achieve that position in life for which his talents best fit him.

Trades and professions should be open to all who qualify. Artificial restrictions against enterprising young workers should fall if there is to be hope for a better future. This, in my judgment, is essential to a free society. It is particularly important in Germany where so much employment must be found for the many and varied talents of the native and the refugee population.

I WANT TO ADD a word about the *Fluechlinge* (fugitive refugee). The refugees from the East constitute a vast and serious problem. We know that it is more than a German problem; it is a world problem. We shall try to help solve it. History has demonstrated, however, that migrations have been of great benefit to the countries which have received refugees, and a deep loss to the countries which have sent them away. The talents and points of view which the refugees have brought to western Germany can enrich German life. It is always well to bear this in mind.

All in all we are trying to help you break down barriers in political and industrial life. If jobs are open for the most talented, if schools are free for the young, if civil service and government offices are open to men and women of all classes irrespective of fraternities or social connections, there will be the great flowering of political and economic enterprise which is so needed in Germany. This freedom, combined with German readiness to work and German ability to perform, would help make Germany prosperous, peaceful and a respected leader in the Western world.

If Germany is to achieve this position of leadership, it is particularly important that no barriers be placed in the way of German youth. Their time must not be dissipated in marching columns. Young German men and women should be given large opportunities. There should be a wider disposition to accept youth in important positions. It would be healthy and beneficial, for example, if the German governments and political parties opened the way for youth to assume positions of higher responsibility.

The German people and their political leaders on their own initiative could do many things to demonstrate their respect for the opinion and friendship of other nations. The peoples outside Germany, and I am sure all right-thinking Germans, feel that one of the gravest injustices the modern world has witnessed was unfortunately committed on German soil — the Nazi persecution of Jews and those who dared to resist. No one can help those who are dead.

The German people, however, can demonstrate their good will by taking prompt and generous action to retribute to the persecutees that which is justly theirs. Such action should not need prodding from any Allied source. It is an obligation, moral more than economic, which the German people must meet. The spirit and speed with which it is met will do much to determine the attitude of other peoples, so many of whose lives have been disrupted and impaired by the aggressions and cruelties

of the past. But even more important, it will mark the development of the new Germany's moral structure.

Here, at the opening of this *Amerika Haus*, it is appropriate to point out how much we can all learn from each other. In the United States we recognize that German schools, universities and educators played a large role in shaping the American school system. More than 100 years ago the source of inspiration for American universities was Germany. Young Americans traveled in Europe, studied at Goettingen, Berlin and Heidelberg. They admired German scholars, libraries and universities. They brought back to the United States the message of *Lehr- and Lernfreiheit*.* We are proud of that heritage.

This is a complex world and no nation, no people has all the answers. No people holds the magic key. The tragedy of the last 20 years proves that. Germany for many years has been cut off from the main stream of development.

Let me mention one field, industrial design. There is a lag in Germany. In this connection do not be misled by those who would tell you that it is fear of competition or high tariffs that keep German goods out of various countries. Obviously that plays a role. But equally important, however, is the fact that in many fields German goods, either in quality or design, are not yet abreast of the demands of foreign markets. These are facts that cannot be overcome by phrases. They can only be mastered by wider knowledge and a receptive mind.

It is the approach that is illustrated by something I heard of the other day: a great city in the United States, before making plans for new buildings, is now sending experts to Europe, including Germany, to study modern housing developments. It is that spirit of inquiry, that willingness to learn from others that is the source of strength.

LARGE AND THOROUGHGOING measures are needed in German politics and society. Germany will not become strong by devoting its greatest efforts and attention to *Aussenpolitik* (foreign politics). Governments frequently try to focus the attention of their peoples on foreign affairs in order to avoid dealing with important domestic matters. It is a good idea to spend at least half of our time cleaning up in our own back yard.

Ladies and gentlemen, this *Amerika Haus*, I hope, will bring together the fine and the good in the heritage of Western civilization. You have in your heritage some of the noblest achievements of mankind. If the German republic develops the best in the German tradition, Europe and the world will benefit.

In the days ahead, we shall do everything to help you on your own way as long as we are here—and we expect to be here for some time—we shall be on the alert to help you on the road to freedom. We shall also be on the alert to deter all influences that would set you back.

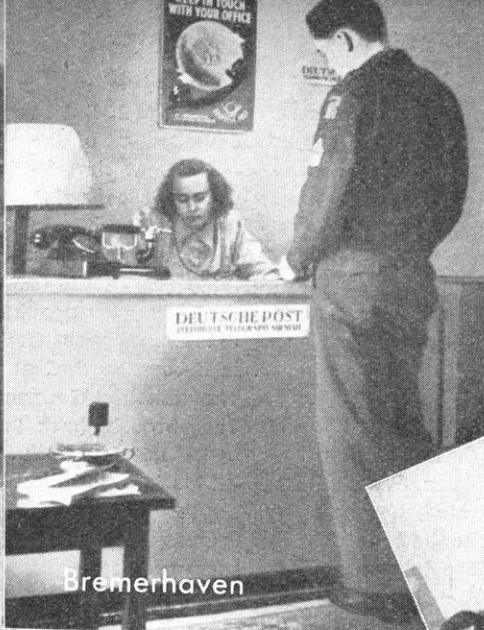
We mean to be active. In our efforts we shall have only one goal: a peaceful, prosperous Germany. In this spirit of co-operation, of friendship, I am very happy to open this *Amerika Haus*. + END

* Freedom of teaching and freedom of student to attend any lecture course in a university.



Heidelberg

TELEGRAPH
AIRMAIL STAMPS



DEUTSCHE POST
FERNRUUF- UND TELEGRAMMVERKEHR



Wiesbaden



Frankfurt



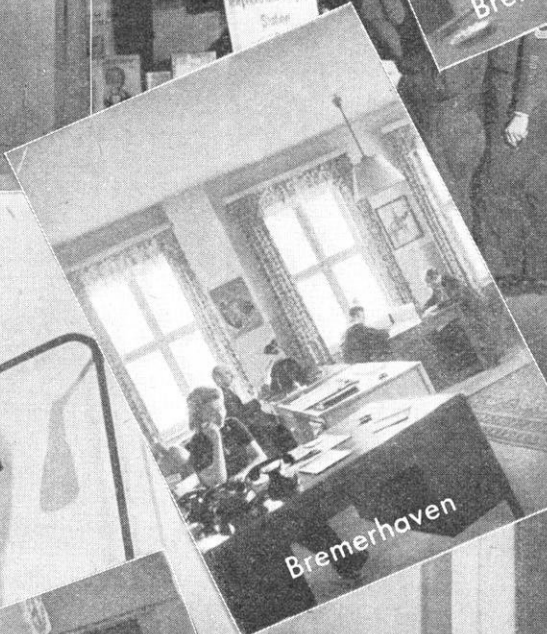
Bremerhaven



Bremerhaven



KEEP IN TOUCH
WITH YOUR OFFICE



Bremerhaven



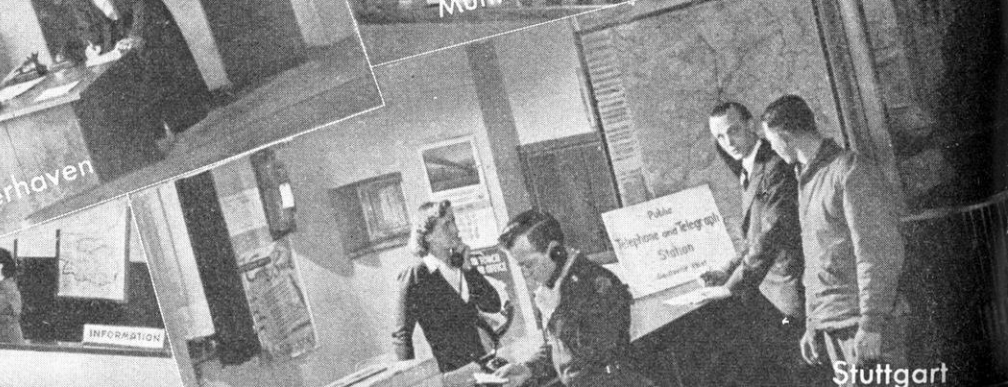
Munich



Bremerhaven



Rhine/Main



Stuttgart



Frankfurt



Frankfurt

Deutsche Post

Offices for Allied Personnel

YELLOW AND BLACK symbols on post boxes, phone service stations and telegraph counters identify the nearly 300 public offices of the Deutsche Post which provide services to Allied personnel in the US Zone, Bremen and Berlin. These offices, staffed by trained, English-speaking attendants, are located in Allied clubs, snack bars, RTO's, hotels, hospitals and office buildings.

In addition to communications services, the Deutsche Post at these public offices also provides such other services as the sale of licenses to amateur radio operators, fishermen and huntsmen; the sale of "Operations Vittles" cookbooks and telegraphic flower orders to the United States, and is currently negotiating for the provision of telegraphic money order, candy and fruit services to America. Deutsche Post has perhaps devoted more attention to serving US personnel than any other foreign communications agency administration.

The organization does a handsome business among the Americans — nearly \$250,000 and several hundred thousand Deutsche marks are collected monthly for rendering non-official and official communications services to the Allied Forces.

Herr Hans Schuberth, the Federal minister for Posts and Telecommunications; his deputy, State Secretary Dr. Hans Steinmetz; and the director of the Department of Posts and Telecommunications of Berlin, Dr. Hugo Ernst Holthofer, and all Deutsche Post officials have received full co-operation from HICOG and EUCOM in obtaining suitable locations for public offices, and other facilities which will insure adequate communications services for Allied personnel.

The transfer of communications responsibilities from US authorities to the Deutsche Post has progressed steadily and successfully since the beginning of the occupation. Various official telecommunications services formerly performed by the Signal Corps are now rendered by Deutsche Post. When the US Forces entered Germany, adequate facilities were not available for providing non-official telephone and telegraph services for Allied personnel — they had to be provided by the US Signal Corps and the American telecommunications companies. But as Deutsche Post facilities became available, the Signal Corps and American firms co-operated in the phase-out and transfer of responsibility.

The Deutsche Post has probably received greater responsibility in providing essential services to US Forces than any other German agency in any field. †END



Frankfurt



Mannheim

Garmisch

SPECIAL SERVICE CLUB

Decartelization Law Prosecutions Filed

CRIMINAL PROSECUTION was initiated by the Office of the US High Commissioner for Germany against two German trade associations and five individual officers of those associations on charges of violating US Military Government Law No. 56 (Decartelization Law) by restraining domestic and export trade in abrasives and participating in a cartel with foreign abrasives manufacturers.

The charges were filed at Frankfurt May 19 in the Fourth Judicial District Court of the US Courts of the Allied High Commission for Germany.

The two associations named as defendants were the Fachverband Schleifmittel-Industrie and the Verein Deutscher Schleifmittelwerke, which include in their membership practically all manufacturers of abrasives in western Germany. Individual officers named as defendants were Hans Brauers of Bonn, executive secretary of the FSI; Paul Nordmann of Bad Harzburg, executive secretary of the VDS; Fritz Brinkmann of Duesseldorf-Reisholz, an officer of both associations; Alfred Sutter of Hanover-Heinholz and Ejner Christiansen of Hamburg-Lurup, officers of the FSI.

The action contains two charges. The first charge alleges the defendants have, during the past two years, agreed to eliminate competition in the sale of abrasives. This charge also alleges the members of the association fixed prices for all kinds of abrasives on the domestic market and in export markets, and fixed uniform rebates

and discounts to be allowed to various purchasers. The two associations are alleged to have policed and enforced the agreements by inducing and coercing manufacturers to adhere to the fixed prices and by checking upon complaints that particular manufacturers were deviating from the agreed price terms.

The second charge alleges that the defendants, representing German manufacturers of abrasives, joined a cartel agreement with French abrasives manufacturers and were negotiating a similar cartel with Italian manufacturers. Through these means all price competition between the German and the foreign manufacturers was eliminated, uniform prices for all export sales were fixed, and spheres of influence were established.

THE DECARTELIZATION LAW is designed to prevent the reimposition upon the German economy of controls and restrictions which tend to benefit a small interested group to the detriment of the consuming public. The freeing of German industry and trade from such artificial restrictions imposed by private group action is designed to allow a healthy and efficient German industry to revive. Restrictions imposed by private groups for their own personal and exclusive benefit in various segments of German trade operate to prevent lowered prices and ultimately serve to retard a rise in the standard of living for the German consumer; therefore such restrictions cannot be tolerated.

US High Commissioner John J. McCloy remarked in a statement made at the time of the filing of the action, that he had directed the Decartelization Branch, Office of General Counsel to be especially alert and vigorous in investigating and surveying fields where activities in restraint of trade may exist. He said that the US decartelization authorities have for some time been aware of the resurgence of activities on the part of many industries tending to restrain trade and suppress undesired competition, and it appears that there are numerous cases where provisions of the decartelization statute are being ignored and businessmen are covertly resorting once again to restrictive devices harmful to the consumer.

Such devices, which were formerly very popular in German industrial circles, include the arbitrary fixing of prices and the allocation of customers among competitors by private agreement or concerted action, and the formation of international cartels to eliminate and prevent competition in foreign markets. Mr. McCloy emphasized that the provisions of US Military Government Law No. 56 clearly and explicitly condemn price fixing, allocation of markets or customers or territories, and participation in international cartels.

The High Commissioner stated further that any industry groups which ignore the provisions of this law at the expense of their customers, the public and the recovery of German industry in general, must realize they face penalties. Where such illegal activity exists, the responsible persons may be charged in a criminal action. +END



Delivering the principal address at the "Richtfest"—traditional German roof-raising celebration—was Maj. Gen. George P. Hays, at the halfway construction mark in the HICOG housing project in Frankfurt. The Deputy US High Commissioner shared the rostrum with Frankfurt's Mayor Walter Kolb, Glenn G. Wolfe, director, Office of Administration, and other US and German officials. (PRD HICOG photo)

Germany Today --- Economically and Financially

Address

By **BENJAMIN J. BUTTENWIESER**

Assistant US High Commissioner

I appreciate the honor of being asked to discuss the timely and significantly far-reaching subject of Germany's economic and financial situation today. Permit me to satiate your appetite for information with what I consider to be salient and significant data concerning Germany. From it, you will be able to draw your own conclusions as to her status. May I make clear that throughout this discussion, unless otherwise indicated, reference to Germany means the Federal German Republic. — Excerpted from introductory remarks of address.

FIRST, AS TO HER industrial production: by March 1 of this year it reached 100 percent of the 1936 production of the territory which today constitutes Germany. This is physical, not a monetary, production ratio, the former being the more accurate basis for such a comparison. In the absolute, this single figure would be quite reassuring. In the relative, however, it leaves much to be desired. In the first place, Germany's population today, due to the influx of some 9,000,000 displaced persons, expellees and refugees is, when added to the approximately 38,500,000 of Germans who constitute the normal population of that area, roughly 25 percent greater than it was in 1936. Consequently, on a per capita basis, the production is really only about 80 percent of 1936. Another important consideration to bear in mind in appraising this production figure is that the production level of most other European countries is somewhere around 130 percent of 1936.

Second, as to Germany's trade, with its all-important effect on her requirement of foreign aid — a subject which I need hardly remind you is near and dear to the hearts of all American taxpayers: her trade has been expanding, but unfortunately it is still only about 40 percent of 1936 volume. Calculated in dollars, Germany's imports for 1949 totaled approximately \$2,250,000,000 whereas her exports totaled only about \$1,125,000,000, resulting in an unfavorable trade balance of roughly \$1,125,000,000. This presents a very serious problem for Germany and, indirectly, a problem for our country, as sponsor of the Marshall Plan, and for all countries participating in the plan.

Merely taking into account these two important aspects of Germany's economy, one would naturally assume that there is a relatively easy and avail-

able panacea; namely, that with Germany's much vaunted industrial skills and the justified reputation of her populace for hard work, it should be possible to increase and consequently expand exports. That, of course, has been Germany's continued aim, but the attainment of the goal is far more difficult than merely setting it.

Bear in mind that the Germany of today represents a drastically truncated economy. The establishment of the "German Democratic Republic," the so-called East German republic, created a partition of prewar Germany into two separate states: the eastern republic, with a population of about 18,000,000 and about 40 percent of the prewar territory as against the western republic, with about 60 percent of the land and about 38,500,000 of population, to which, as indicated above, there should now be added approximately 9,000,000 of new population.

Without meaning to interpolate a political angle into this economic and financial discussion, one cannot mention the "German Democratic Republic" without emphasizing that the only thing democratic about it is the middle part of its name. In every respect it represents a Communist-dominated state whose every move is dictated from the Kremlin. Therefore, it shares completely the fate of all the other unfortunate countries and people who must suffer beneath that diabolic yoke. I allude to this also because the difficulty of East-West trade is one of the very definite impediments to Germany's recovery.

There are other serious difficulties which beset Germany in her conscientious and commendable effort to recover from the disastrous war she so fiendishly waged and, in fact, from the blight on her entire economy which was wrought by the Hitler regime. Without boring you with further statistics, let me merely cite the fact that there is a very serious shortage of money in circulation, credit available for business and commercial purposes, capital for the financing of long-term requirements and the many other media which you so well know are requisite for recovery and expansion.

Lest you interpret this as being a report completely on the negative side, let me hasten to assure you that, short though Germany may be of all these resources, it is encouraging to note that there has been a steady growth and development of practically all these vitally necessary instruments of money and credit and many more

This address was delivered by Mr. Buttenwieser before the Investment Bankers' Association of America in White Sulphur Springs, W. Va., May 18.



Assistant US High Commissioner Buttenwieser and Ralph Nicholson, director of the Office of Public Affairs, are interviewed by newsmen at Rhine/Main airbase on their return from speaking engagements in the United States, in the course of which Mr. Buttenwieser delivered the accompanying address.

(PRD HICOG photo)

which time does not permit my enumerating. There are many persons, both within Germany and without, who feel that credit in its varying forms is being unduly restricted in Germany. They are of the opinion that the German financial and economic authorities should be more liberal in their monetary policies, lest Germany enter a deflationary phase which it would be difficult to arrest and during which, obviously, she could not expand her production and trade.

There is much to be said for this school of thought. Equally understandable, however, is the fear of countless Germans, and many others familiar with her history, at the very thought of anything that even faintly suggests inflation. A people that twice within their own experience suffered as did the Germans from the ravages of the inflation which followed World War I or from the monetary reform which followed World War II are naturally allergic to any measures that even remotely connote inflation or that might otherwise undermine the integrity of their monetary system.

The Central Bank and other fiscal authorities in Germany are often under considerable pressure to be more flexible in their administration of the German central banking and monetary systems. Time does not permit my analyzing the considerations which are urged in favor of their following a somewhat inflationary course. However, one can readily appreciate the inherent hesitancy of those entrusted with the determination of Germany's financial destiny to take any steps which might strain the delicate reed on which the German financial system leans.

THIS SHORTAGE of capital, to which I have alluded, leads us to the third important aspect of Germany's present day economic and financial situation. Her productive plant, reduced as it was by reparation and dismantling, would have substantially greater productive capacity were it not for much of its obsolescence. This low estate of the major portion of Germany's productive facilities, due to lack of capital for rehabilitating them,

makes Germany, by and large, a high-cost producer. Consequently, she is at a competitive disadvantage with producers of other countries. This accounts in great measure for her difficulty and slowness in building up her exports.

Couple this with a lack of capital for vitally necessary construction in the realm of public works, housing and industrial expansion, and you are confronted by a fourth and equally unsatisfactory situation, namely, unemployment.

At its height, during February of this year, unemployment was slightly over 2,000,000 in Germany plus slightly over 300,000 in West Berlin. Today these figures are slightly under 1,800,000 and just over 290,000, respectively. Based on either Germany and West Berlin's total population or working force, these figures represent a distressingly high incidence of unemployment. The presence of 9,000,000 displaced persons, expellees and refugees, whose purchasing power is very low and whose resources, in general, are almost nil, is an aggravating factor in this situation.

Another highly important problem which Germany must solve is her food situation. Germany never was self-sufficient in producing her own food. Even before the war, she had to import about 20 percent of her requirements. This was while she still had some of her most important sources of supply within her own borders. The foreign exchange thus needed for purchase of this 20 percent of necessary foodstuffs was provided by her exports, both visible and invisible.

Today the picture is substantially worse. Shorn of much of her former agrarian territory, Germany must at present import about 50 percent of her food. This large demand for imports becomes all the more serious in the light of Germany's vastly reduced visible exports, while her invisible exports are practically non-existent. The only reasonable hope I see for ameliorating this situation is to increase her indigenous supply of food and to permit her industrial production to expand within the minimum of safeguards necessary to guard against her again becoming a military menace.

I AM ALLUDING, of course, to that part of the occupation which has to do with the so-called Prohibited and Limited Industries. As the term implies, Germany is completely prohibited from carrying on certain industries which are deemed to represent a war potential. Such, for instance, are the aircraft or munitions industries. Others are limited, the limitations being predicated on military considerations of what might constitute or create a war potential. The steel, chemical and shipbuilding industries are outstanding examples of this category.

Having witnessed the ravages wrought by Germany, no reasonable or reasoning person could inveigh against proper prohibitions and safeguards against Germany's becoming rearmed, actually or potentially. The stipulations against Germany rising again as a military menace are warranted and clear, I see no reason for any change in that policy until Germany, by every reasonable test and assurance, has abundantly demonstrated to the world

that she will not again become a menace to peace and cause the havoc and suffering that she has in the so very recent past.

In the light of this prohibition against rearming, however, Germany asks whether her protectors against foreign aggression will be the Occupying Powers which prohibit her from creating her own means of protection. The presence of the Occupation Forces answers that question. Firmly though I believe that these prohibitions and limitations are just and necessary and timely, equally strongly do I feel that it is ethically unjust and economically unwise, under the guise of military security, to predicate them on commercial and industrial considerations. Neither commercial rivalry, nor lack of skills or raw materials, nor other competitive disadvantages should be the bases which motivate occupiers in formulating prohibitions and limitations of industries for the occupied.

While this is a delicate subject and while, of course, I make no allegations or even suggestions in this realm, it is difficult to demonstrate to the Germans that complete prohibition against any production in certain industries or some of the limitations in other industries, such as steel or shipbuilding, are genuinely formulated from a military rather than a commercial standpoint. Germans continue to clamor for a readjustment of the Prohibited and Limited Industries Agreement, which effectively shackles a significant part of their industries, and I think there is considerable cogency to some of the arguments they advance for such revision.

IN BROAD OUTLINES, the foregoing are some of the major difficulties that beset the German people and their government today. They are taking measures to meet the situation, although some believe that their activities in coping with these problems lack vigor, imagination, courage or even resoluteness. It is difficult to pass categorical judgment of this nature on the German government officials, both federal and state. One must bear in mind that they are relative novices, the federal government having been functioning for only about eight months. Even this short period is not comparable to a similar span of time for any other government because of the myriad of obvious difficulties, precedents and processes which this new regime has to overcome.

Obviously, it is impossible to cite all the important considerations on which Germany's recovery must be predicated. However, there is one last situation to which, I think, no one should fail to allude who endeavors, as do I today, to portray a realistic picture of the German scene from an economic and financial viewpoint. It is so-called "co-determination," which is in the forefront of German economic, industrial, labor and political thought at this very moment.

Co-determination of itself represents a broad subject, but in crystallized form it may be described as the legal right of employee to share with employer in shaping the destiny of their common enterprise. That would seem to be simple enough; but nothing is simple in Germany. To understand some of the complexities of this matter, one must be oriented somewhat on the entire labor movement

in Germany. It consists of 16 national, autonomous, industrial unions, federated into the one German Trade Union Federation, comparable to the AFL or the CIO. While workers are represented by these individual industrial unions, in general it is the federation which determines policy on a national as against the industry level.

There have been under discussion, and in fact in some of the states there are already enacted, laws providing for this co-determination. These laws provide that the board of directors, in contradistinction to the board of managers, shall be composed of representatives of workers and owners. The mere presence of workers' representatives on a board of directors would not seem to me to be disturbing. In fact, I could visualize many instances where that would represent constructive progress in employer-employee relations. However, what seems to be giving ground for considerable misgiving is the demand of the trade union group that employees be entitled to a 50 percent membership of the board of directors.

Further, and this represents a basic point of cleavage, there is the question whether the representatives of the employees on any given board of directors shall be employees of the enterprise itself, chosen by all its employees, or representatives of such employees, designated by the trade union federation, who might or might not be employees of the enterprise. It can be readily seen how important and far-reaching are the considerations which underlie the present active campaign being waged by employers and employees, alike, concerning federal or other legislation on this broad subject of co-determination and how difficult but equally vital it is that such legislation be formulated on sound principles.

THUS FAR, I FEAR you may have discerned a note of caution in the report I am rendering. I do not think any realist can objectively or faithfully speak otherwise of present day Germany. Equally, I think there is adequate basis for the expectation that through hard work, mutual co-operation, careful planning, prudent use of her resources and intelligent fiscal policy, Germany can rebuild her way toward economic stability. Basic to this, however, are political considerations, both domestic and foreign, to which lack of time permits me only to allude. Furthermore, for the achievement of this economic improvement, I want to reiterate the importance of reuniting the former Germany along democratic lines. This, of course, means the fusion of the East German Democratic Republic with the German Federal Republic. Only through this do I see promise of real recovery for Germany.

Now as to the investment aspects of present day Germany. Since the beginning of our occupation, it has been the American policy, and that of the other two occupying governments, to prohibit new foreign investments in Germany. The reason is obvious: prevention of carpet-bagging. In the early days of the occupation, valuable assets could have been purchased for a mere pittance in foreign exchange or tangible goods. Now the situation has vastly changed and order has supplanted chaos. Despite this, as I endeavored to portray above, Germany is in crying need of capital.

Domestically it is very difficult for her to build up capital. Outmoded plant and equipment, with their resultant high production costs, do not yield much profit. Consequently, relatively little created capital is derived from such operations. The need for foreign capital in Germany, therefore, becomes all the more pressing. With this in mind, the Occupying Powers are doing their utmost to bring an end to this so-called moratorium against foreign investments. To the cursory observer, this would seem like a rather easy assignment. More careful consideration of the matter, however, leads to the unfolding of many involved problems.

THE ENTIRE SUBJECT really has three facets. First, there is the problem from the standpoint of permissible uses of how to handle the unblocking of the present Deutsche mark credit balances blocked in German banks for the account of foreigners. These of themselves do not constitute any very large sum. The best estimate is that they are in the neighborhood of DM 165,000,000 (\$39,270,000).

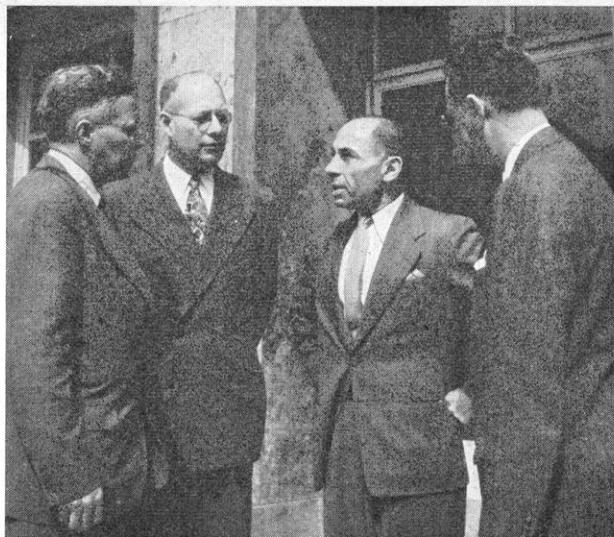
Coupled with that, however, is the second facet of how to handle new funds that would flow into Germany for investment purposes. Should there be any preference in remittance of income or principal of such funds? Should they be permitted to come in only at the official rate current for the foreign exchange which they represent; i. e., should anyone who, for instance, wants to invest dollars in Germany have to remit those dollars at the official rate of DM 4.20 to the dollar or should he be allowed to purchase marks from whomever he can at the most attractive rate possible.

As you can see, this is really related to the first part of the problem, for the degree of transferability permitted for the unblocked DM balances to a great extent the answer to this latter question.

Ancillary to the first and second parts of this situation, or possibly even fundamental to them, is the third facet of how to deal with the prewar foreign exchange indebtedness of German obligors. This is further complicated by the complex problem of determining the successor to the obligations of many prewar German debtors which no longer exist as such. At the forefront of these is the former German Reich, whose obligations, such as the Young and Dawes Loans, are well known to this audience. Determination of the debtor is in many cases such a complicated legal and juristic problem that it may well have to be left for solution at the Peace Conference or some international conference of similar stature.

A further vexatious aspect of this problem is the determination of the actual magnitude of these debts, as well as establishment of the validity of certain portions of such debt. Estimates range from the equivalent of \$1,000,000,000 to \$2,000,000,000, with clear indication that the validation of these debts will substantially reduce their ultimate total.

THE TREATMENT of debt where the debtor is readily identifiable and where creditor and debtor can come to a mutually satisfactory agreement is likewise less simple



Three American educators who visited Germany in the course of a recent tour of 11 European countries are welcomed at the Frankfurt Casino by Mr. Bittenwieser. L.-r., Dean M. Schweickhard, Minnesota commissioner of education; William Atkinson, dean of Junior College, Jackson, Mich.; Mr. Bittenwieser, and Melvin Moore, school principal, Eugene, Ore. (Photo by Jacoby, PRD HICOG)

than one would suppose on first thought. Obviously, with Germany suffering from the vast deficit of foreign exchange, to which I alluded earlier in this discussion, and with the US purveying such sizeable funds through ECA aid, to make good a large portion of this deficit, it is hardly reasonable to expect that German debtors will be permitted to use any foreign exchange in the settlement of their debts. Certainly this will be the rule in the initial stages of debt settlement until this foreign exchange imbalance is appreciably corrected.

If debts expressed in foreign exchange cannot be settled in that medium, then the next best form of payment for those who are prepared to accept such settlement is in Deutsche marks. The uses which can be prudently permitted of these DM's, similar to the uses of the unblocked DM balances to which I referred, is a complex problem whose solution has delayed the lifting of this investment moratorium.

I have focussed attention on these difficulties in order to record publicly some of the reasons for the delay in raising this moratorium. I reiterate, this would appear to be a simple operation when first viewed, but it becomes more involved and diverse as it is more carefully studied. Despite this, however, I am hopeful that in the very near future we will at long last have found a fair, equitable and practical solution of this situation in all its manifold aspects, to the end that the moratorium can be relaxed, so that those from abroad who want to invest in Germany will at least be afforded the opportunity to implement that desire.

There is but one further thought that I should like to enunciate in this discussion. I know from my own experience with what objectivity one analyzes a situation before one invests in it, I would be the last to suggest

any deviation from that very sound principle. In the case of Germany, however, I profoundly believe that there is more than just the consideration of monetary remuneration that goes with investments there.

This further aspect should not be overlooked in determining the wisdom of such investment. Germany is truly one of, if not, the most significant, ramparts of the Western world in the cleavage between the system of free enterprise, as we in the United States understand it, and the Communist system that exists behind the Iron Curtain.

AS I ENDEAVORED to indicate throughout this discussion, Germany sorely needs capital. There are risks in investments almost anywhere. Admittedly there are, as I hope I have made abundantly clear, greater risks, including the political factor, in investment in Germany today than in some other parts of the world. Yield on investment normally reflects the degree of risk entailed in such investment. Germany, I fear, for the present at least, cannot afford to pay, either in external remittance or even internally, a rate of investment return which is really attractive in comparison with rates obtainable in other

At the twenty-ninth meeting of the Council of the Allied High Commission at Petersberg, May 31, the Council agreed in principle to a procedure for a progressive relaxation of restrictions which have existed since the end of the war on foreign investments and on the use of blocked foreign assets in Germany. Financial advisers of the High Commission will exchange views with representatives of the Federal Government on the procedure to be adopted.

parts of the world, when viewing the return in the light of the comparative risks to which such investments are respectively exposed. Parallel to the rate of return on investment, however, is the question of distribution of investment capital and the constructive development which it will achieve in the areas in which it is invested. This latter should be appraised not merely from a positive but likewise from a negative standpoint.

In other words, when large purveyors of capital consider whether or not to invest in Germany, with a full awareness of its present situation as I have endeavored to etch it in all frankness, I think they should be motivated by two considerations: first, what will be the result to them individually and to the world in general if the investment is made in Germany, as against somewhere else. Second, what will be the result economically and financially, and, therefore, possibly politically, inside Germany and without, if the investment is not made there. These are problems which I appreciate are easier to present than to solve, but I suggest that their proper solution will play a significant role in the history, not merely of Germany but of the world, as it is being written this very day and hour. +END

Tempelhof Civil Aviation under HICOG Control

THE SPRAWLING SEMI-CIRCLE of buildings and mammoth field of Tempelhof Air Base in Berlin now come under jurisdiction of the Civil Aviation Division, HICOG, for administration of its civil aviation activities.

The switchover to HICOG from USAFE, effective June 1, was one more entry in a log of Tempelhof history that began in 1919. It was then that Tempelhof was established as a landing site.

Plans for the present airport were drawn in 1936, but construction was not completed by 1939 and the field saw little use during World War II.

The airport, valued at DM 185,000,000, has a concrete loading apron 950 feet wide, 3,500 feet long. The city of Berlin owns 52 percent of the airport while 48 percent is held by the German government.

Its buildings and hangars suffered little damage in the war. However, after the surrender, extensive damage was done by Germans before its occupation by US Forces.

Reconstruction of the base was begun in 1945. Approximately 760 officers and airmen and 450 Germans were engaged in the task. The runway was completed in September 1945.

Lt. Gen. John K. Cannon, Commanding General, US Air Force in Europe, signs agreement turning over civil aviation activities at Tempelhof to the Civil Aviation Division of HICOG. Thomas D. Johnson (right), chief of that division, was the co-signer. (USAF photo)

By the end of 1945, billets for officers and airmen were 60 percent completed. A great deal of debris had been cleared and extensive repairs on heating, water and electrical works, sewage and drainage systems were made.

Tempelhof Air Base garnered worldwide fame during the Berlin Airlift when it was the main receiving terminal for the thousands of tons of fuel and food flown daily to the besieged city.

At the peak of the airlift a plane landed every three minutes at Tempelhof. The total tonnage carried to Berlin during the 15 months of the lift was 2,325,509.6 tons in 277,569 flights. +END



Puppet "People's Police" Protested

THE US, BRITAIN and France on May 23 accused the USSR of creating a 50,000-man East German military force in violation of five agreements and called on the Soviets to disband it immediately.

"A development already known to the USSR," according to the US note, the organization is "not an ordinary police force and it does not have ordinary police duties.

"It receives basic infantry, artillery and armored training and is equipped with military weapons, including machine guns, howitzers, anti-aircraft cannon, mortars and tanks."

The US note cited five agreements in which the Soviet Union had committed itself unequivocally to the demilitarization of Germany. Yet, the note said, the Soviet Zone "people's police" must be regarded as a military force.

"The establishment of a military force, or of militarized police, in Eastern Germany could not have been accomplished without the deliberate approval of the Soviet Government and it is an action squarely in opposition to efforts being made by the United States and other nations to create a stable and lasting peace."

Through such actions, despite verbal protestations of peace, the "Soviet Government has destroyed world confidence in the sincerity of its promises and has created throughout the world widespread doubt as to its pacific intention," the note declared

To restore international confidence, the Soviet Government must "dissolve immediately the militarized units which it has set up in Eastern Germany."

THE US CHARGED the force violated the Yalta Agreement; the Declaration signed with Gen. Dwight D. Eisenhower and other Allied commanders on June 5, 1945; the Potsdam Agreement; the Four Power agreement of Sept. 20, 1945, and the Control Council Law of August 20, 1946, to all of which the Soviet Union was a party. They provided for complete demilitarization of Germany and abolition of military and quasi-military organizations and training.

The military force is estimated at between 40,000 and 50,000 men, composed of 39 "alert units" to train enlisted personnel and at least 11 officers' training schools. The force is armed with standard German infantry weapons, but has, according to State Department data, at present only "negligible" military capabilities. However, in the future it could form the nucleus of a new German army or an internal security force to maintain Communist control.

The force was formed in August 1949 under Inspector-General Wilhelm Zaisser, a German Communist who fought in the Spanish civil war as "Gen. Gomez."

State Department information showed a direct chain of command between the German leader to Maj. Gen. Petrakovsky of the Soviet Control Commission in Germany.

Russian field officers are assigned to each training school as "advisers" to the commanders. These officers,

dubbed "Sovietniks" by the Germans, are said to wear standard police uniforms when on duty. Relations between the German commanders and the Soviet supervisors are reported "extremely cordial."

KEY PERSONNEL of the force, said the State Department, consists largely of (1) personnel who served with Zaisser in the Spanish war; (2) old-line German Communists who spent various periods in exile during the Hitler regime; and (3) ex-German army officers who graduated from Soviet prisoner-of-war camps and anti-Fascist schools.

Training for the enlisted men is clearly military close and extended order drill, familiarization with the firing of individual weapons, small unit exercises — and includes political indoctrination. Tactical training above commando level has not been undertaken probably because of the low level of individual training and lack of appropriate areas.

The State Department said that morale in the force was generally low because of poor housing and training, severe restrictions on personal freedom and lack of enthusiasm among the rank and file, many of whom had been coerced into enlisting. Because of the military training, the number of defectors has increased from 20 per month in late 1949 to 80 per month at the end of April 1950.

It is believed that from 800 to 1,200 men are in training in each "alert unit," and that approximately 1,000 trainees are assigned to each of the 11 officers' training schools. The total would stand at somewhere between 40,000 and 50,000 men.

(Full text of US Note on next page)

All was quiet in Western Berlin over the Whitsun holiday despite a mass demonstration, sponsored by the Soviet occupation authorities and their "German Democratic Government" puppets, of between 400,000 and 500,000 FDJ ("Free German Youth") members transported to Berlin from all over the Soviet Zone. Photo of Brandenburg Gate shows the West Berlin side of the arch with inscription, "German boys and girls of the Capital of Germany greet you!" Famed monument is on the Soviet Sector border and was barricaded by West Berlin police to prevent incidents. Missing from atop Brandenburger Tor are the Angel of Victory and her horse-drawn chariot, which Soviets removed.

(Photo by Jacoby, PRD HICOG)



Text of US Note of May 23, 1950

Following is the text of the note handed by the US Ambassador to the Soviet Foreign Office in Moscow on Tuesday, May 23, 1950:

I have the honor to express to you the United States Government's grave concern in respect of a development in Eastern Germany which is already known to the Government of the USSR.

There has been created in the part of Germany that is subject to Soviet control a police force which has, by reason of its military training and equipment, the character of an army. This organization is called the "Main Administration for Training (*Hauptverwaltung fuer Ausbildung*)," and it amounts to about 50,000 men. It is not an ordinary police force, and it does not have ordinary police duties. It receives basic infantry, artillery and armored training and is equipped with military weapons, including machine guns, howitzers, anti-aircraft cannon, mortars and tanks. It must be regarded, therefore, as a military force.

The Soviet Union has many times expressed its adherence to the principle of the complete disarmament and demilitarization of Germany. In particular, you will recall these five international agreements to which the Soviet Government was a party:

A. The joint report of Feb. 11, 1945, following the Anglo-American-Soviet conference in the Crimea (Yalta):

"It is our inflexible purpose to destroy Germany's militarists and Nazism and to insure that Germany will never again be able to disturb the peace of the world. We are determined to disarm and disband all German armed forces; to break up for all time the German General Staff that has repeatedly contrived the resurgence of German militarism; to remove or destroy all German military equipment; . . ."

B. The Declaration regarding the defeat of Germany and the assumption of supreme authority by the Allied Powers, signed by General Eisenhower, Marshal Zhukov, Field Marshal Montgomery and General Tassigny on behalf of their respective governments on June 5, 1945:

"The four Allied governments will take such steps, including the complete dis-

armament and demilitarization of Germany, as they deem requisite for future peace and security."

C. The joint report of Aug. 2, 1945, following the Anglo-Soviet-American Conference in Berlin (Potsdam):

"Three purposes in the occupation of Germany by which the Control Council shall be guided are:

(1) Complete disarmament and demilitarization of Germany . . . to these ends:

(A) All German land, naval and air forces . . . and all other military and quasi-military organizations . . . shall be completely and finally abolished in such manner as permanently to prevent the revival or reorganization of German militarization."

D. Agreement between governments of the United Kingdom, the United States, and the USSR, and the provisional government of the French Republic on certain additional requirements to be imposed on Germany, dated Sept. 20, 1945:

"(1) All German land, naval and air forces — and all other military and quasi-military organizations — shall be completely and finally abolished in accordance with methods and procedures to be laid down by Allied representatives.

"(2) All forms of military training, military propaganda and military activities of whatever nature, on the part of the German people, are prohibited, as well as the formation of any organization initiated to further any aspect of military training and the formation of war veterans' organizations or other groups which might develop military characteristics or which are designed to carry out the German military tradition, whether such organizations or groups purport to be political, educational, religious, social, athletic or recreational or of any other nature."

E. Control Council Law No. 34, entitled "Dissolution of the Wehrmacht," dated Aug. 20, 1946:

"Article I. All German land, naval and air forces, with all their organizations, staffs and institutions and all other military and quasi-military organizations, together with all clubs and associations which serve to keep alive the military tradition in Germany, are hereby considered disbanded, completely dissolved and declared illegal.

"Article II. Maintenance, formation and reconstitution of any of the agencies or organizations enumerated in Article I under any name or form whatsoever, and the taking over of all or any of the functions of such agencies or organizations in the future by other agencies is prohibited and declared illegal."

It is clear from these agreements that the government of the Soviet Union has committed itself unequivocally to the principle that Germany will be demilitarized, that her military forces will be completely and finally abolished, and that no revival of German military activities will be allowed. The British, French and American governments were also parties to these agreements and are equally committed to the same principle. They have, accordingly, taken effective steps to prevent any form of rearmament or remilitarization in their Zones of Occupation. The Soviet Union, on the other hand, has directly violated all of these agreements. The establishment of a military force, or of militarized police, in Eastern Germany could not have been accomplished without the deliberate approval of the Soviet Government, and it is an action squarely in opposition to efforts being made by the United States and other nations to create a stable and lasting peace.

The representatives of the Soviet Government have, on numerous occasions, spoken of the Soviet Government's desire for peace. Such verbal protestations, however, can hardly be expected to receive credence among the free peoples of the world when the Soviet Government is simultaneously creating a military force of considerable size and strength in Germany in violation of its solemn international commitments. By this and other like actions, the Soviet Government has destroyed world confidence in the sincerity of its promises and has created throughout the world widespread doubt as to its pacific intention. If the Soviet Government wishes to restore in some measure international confidence in its alleged attachment to peace, it cannot fail to dissolve immediately the militarized units which it has set up in Eastern Germany.

+END

1,000 Refugee Catholic Pastors Given Bicycles

Catholic refugee pastors are keeping in contact with their widely scattered parishioners on bicycles these days — an innovation made possible through contributions from Catholic women's societies in the United States.

The bicycles, along with clothing and funds, were sent to 1,000 of the neediest refugee clergymen and their congregations, according to the Rev. Alfred Schneider, representative of CRALOG and the National Catholic Welfare Conference, through which the agencies have sent their aid.

The 1,000 parishes have been adopted by the same number of parish and city welfare groups in the United

States. This activity blossomed largely through the efforts of Catholic women's societies and welfare representatives in Germany.

Of the 2,300 clergymen who fled the East zone with all or part of their parishioners, many were in need of the barest essentials to carry out their pastoral work. The bicycles are especially helpful in northern Schleswig-Holstein, where former parishioners are often spread out in a half-dozen villages.

Since the war the conference has distributed more than 40,000,000 pounds of food, clothing and medicine to DP's, refugees and the needy in Germany.

Personnel Notes

Nevin to Co-ordinate Dollar Drive

Paul S. Nevin, chief of the Economic Affairs Division, Office of the US State Commissioner for Bavaria, has been transferred to Frankfurt to take charge of the Export Promotion ("Dollar Drive") Branch of HICOG's Office of Economic Affairs and the ECA Special Mission to Western Germany. He will be deputy to the chief of the Industry Division.

Mr. Nevin's work will be mainly concerned with West Germany's "dollar drive" — a project to earn more dollars through increasing her exports to the United States.

His branch will maintain close contact with ECA's trade development section in Paris and Washington, as well as foreign trade groups in the United States.



Paul S. Nevin.
(PRD HICOG photo)

In the trade promotion field, the section will concern itself with the elimination of trade barriers and with the development of plans to bring together the German exporter and the American importer. In this connection Mr. Nevin will work closely with the German committee which is co-ordinating exhibits for participation in the first United States International Trade Fair to be held in Chicago this fall.

The section will also concern itself with special exhibits of German manufactured products, foreign trade zones, department store merchandising of imported German goods, import credit facilities and general consultation.

Kellerman Visits Germany

Henry Kellerman, director of the Office of German-Austrian Public Affairs, US Department of State, visited Germany recently on a routine one-month trip for informational purposes in connection with his office.

Mr. Kellerman visited Berlin and the four states of the US Zone during his stay.

Hart Replaces Barnett in OA

Walton C. Hart has been appointed executive assistant to the director, Office of Administration, HICOG, and Robert M. Barnett has been transferred to Geneva, Switzerland, as labor attache.

An expert on labor affairs, Mr. Barnett has been assigned as labor attache with the US delegation to the Economic Commission for Europe, located at Geneva.

Mr. Hart has served in the Near East and South America as well as in Europe since joining the Foreign Service. In November 1948, he was assigned as attache in the Office of US Political Adviser on German Affairs at Berlin.

Library Association Official Arrives

Harland A. Carpenter, official representative of the American Library Association, has arrived in Germany to consult with German librarians and observe the materials exchange program.

Director of the libraries of the Wilmington Institute Free Library and the Newcastle County Free Library, Delaware, Mr. Carpenter will remain in Germany until late August. He will discuss with German officials library building problems, children's library services and open-shelf book collections and plans to establish a model professional library of American reference books. He will also visit British Zone institutions.

Washington ECA Official in Germany

Saul Nelson, chief of the German-Austrian office of the ECA in Washington, visited Frankfurt in the course of a field survey trip. He is accompanied by Francis Hoeber of the US Department of State. Mr. Nelson, before his present assignment in Washington, was chief of the Reports Section, Economics Division, Office of Military Government for Germany (US).

New RO's Named to Hesse Posts

Seven new Hessian resident officers have been assigned to counties in that state. The recent arrivals are part of the first group specially trained by the State Department, at the Foreign Service Institute, Washington, D.C., for foreign service as resident officers. Their courses included German area and language study. Their training was continued at HICOG Headquarters and at OLC Hesse before they were given assignments.

Charles Thomas Butler will go to Eschwege; Jonathan Dean to Main-Taunus County; Earl Henry Lubseansky to Kassel; Robert L. Ouverson to Erbach; John D. Gough to Gelnhausen; John P. Shaw to Witzenhausen, and Thomas Clifford Stave to Alsfeld-Lauterbach.

Doyle Appointed Frankfurt Consul-General

The appointment of Albert M. Doyle of the US State Department in Washington as US Consul-General in Frankfurt, succeeding Marshall M. Vance, was confirmed recently by the Office of Administration, HICOG. Announcement of the appointment was made in Washington.

Mr. Doyle is expected to arrive in Frankfurt to take over his new post some time in July. Mr. Vance will return to the United States at that time.

Mr. Doyle has been in the foreign service since 1922. Since 1947, he has been with the State Department in Washington and prior to that was consul-general at

Amsterdam. In addition to Amsterdam, he has served with the State Department at Rotterdam, also in Holland; Brisbane and Sydney, Australia.

Assigned to Work on DP Program

Ten Foreign Service staff officers have been assigned to US consulates and sub-offices in Western Germany to aid in implementation of the Displaced Persons' immigration program.

Given special instruction at the Foreign Service Institute in Washington, D.C., the group has been assigned as vice-consuls in the areas of Frankfurt, Munich and Hamburg.

Three of the group were sent to Hamburg: Martin H. Armstrong, John R. Lamb and Robert F. Weltzien. Three others, William T. Kasson, Robert E. Hampton and David Cosum, have taken posts in the Munich area, while Charles W. McCaskill, Ernest E. Schneider, Jack M. Smith, Jr., and John L. Tinnerello have been assigned to the Frankfurt Consulate-General and its sub-offices.

Szluk Returns to US Post

Peter F. Szluk, deputy chief of the Employee Relations and Services Branch, Personnel Division, Office of Administration, HICOG, left Germany in June after three years of service to resume his post as chief, Employee Utilization Branch, at the Navajo Ordnance Depot, Flagstaff, Arizona.

Mr. Szluk's first European assignment, in July 1947, was with the Personnel and Administration Division, Headquarters, European Command, as an employee relations and training technician. He joined OMGUS in November 1948 as chief of the Personnel Division's Training Branch and was selected for his HICOG position in June 1949.

Reber Acting Political Adviser

Samuel Reber, State Department career officer who has been assigned to the staff of the US High Commissioner for Germany, served during 1949 as the US representative on the Council of Foreign Ministers' Deputies during the conferences in London on the Austrian peace treaty.

Mr. Reber has been acting political adviser to the US High Commissioner since the departure of James W. Riddleberger to the United States on statutory home leave the latter part of June.

Educated at Groton and Harvard, Mr. Reber has been a member of the State Department's Foreign Service since 1926. He has held posts in Peru, Liberia, Brussels,

Luxembourg, Berne and Rome. He was chief civil affairs officer in Algiers after the Allied landing in North Africa.

OLCB Public Welfare Adviser

Mrs. Alice Stephan Whelan, of Washington, D.C., has been appointed public welfare adviser in the Office of the State Commissioner for Bavaria. Mrs. Whelan, active in various fields of public welfare for more than 12 years, fills a recently-created position.

Mrs. Whelan came to Germany in October 1947 as a field representative for the Church World Services in its work among displaced persons. She subsequently became deputy director in charge of immigration of DP's to the United States and other countries, in which capacity she served until 1949, when she joined OMG



Alice Stephan Whelan.

(PRB OLCB photo)

Bavaria as a youth welfare adviser. She later was assigned to the Community Activities Branch of OLCB.

Jim Hathcock Wins Scholarship

James S. Hathcock, Jr., one of the 12 students of the dependents high school in Wiesbaden who graduated in June, has received notice he is the winner of a four-year scholarship at Swarthmore College in Swarthmore, Pa.

James S. Hathcock, Sr., is the chief of the Food and Agriculture Branch, Office of State Commissioner for Hesse. Mrs. Hathcock is the president of the zone-wide federation of German-American Clubs.

In commenting on the award of the \$400-a-year scholarship, Hathcock said he plans to major in chemistry. All of his high school education has been acquired in Germany.

New EUCOM Ordnance Chief

Brig. Gen. Ray M. Hare has arrived in Heidelberg to assume the duties of chief of the EUCOM Ordnance Division. He relieves Col. W. R. Slaughter, who will return to the United States for a new assignment.

General Hare comes from the Office of the Chief of Ordnance in Washington, D. C., where he has been chief of Supply and Distribution. This is his second tour in Germany, the first having been as a captain with the Army of Occupation in Coblenz following World War I.

+END



Major Eleanor King has been named chief of the US Air Force's German Youth Activities program. The WAF officer was formerly chief of the officers' section, Wing Personnel at Rhine/Main Airbase. A clinical psychologist, she holds degrees from Columbia and New York universities.

(USAFE photo)

Economic Review

This monthly review of the German Federal Republic's current economic picture, based on the latest figures and trends available when this section of the Information Bulletin went to press, was prepared by the Reports Office, ECA Special Mission for Western Germany.

THE MOST IMPORTANT event of April was the decision that Western Germany could not effectively utilize all available dollar aid for the year July 1, 1949 to June 30, 1950. The "cutback" was occasioned by reductions in the food import program and the inability of the industrial economy to effectively demonstrate need for additional dollar imports. The food program reductions resulted from accession to the International Wheat Agreement, amounting to approximately \$20,000,000, to better crop prospects and increased food procurement in countries participating in the Marshall Plan which have liberalized trade agreements with Western Germany. These latter food savings were valued at about \$58,000,000. Adjustments as a result of these savings were \$20,000,000 already returned to the US Treasury, \$35,000,000 reported to Congress, and \$22,000,000 not needed because of multi-lateral drawing rights against West Germany not utilized. Total programmed 1949/50 GARIOA and ECA aid for Western Germany is now estimated at \$665,700,000.

Generally, April economic developments tended to bear out and "firm up" the hopeful signs of March that the economy of Western Germany is slowly advancing toward full recovery. Industrial production again rose, favorable weather permitted an increase in crop estimates for the 1950 season, unemployment declined slightly, consumption and prices showed steady trends, foreign trade was somewhat less than the March peak but still above other recent months, and the excess of imports over exports was diminished.

Such signs of improvement tend to obscure certain lingering maladjustments which continue to undermine the health of the economy, however. It is increasingly evident, for example, that the rate of investment programmed for West German agriculture and industry are inadequate for a high level of employment, despite the release of generous amounts of counterpart funds accruing from the sale of ECA-financed imports.

The specter of deflation is ever present owing to underinvestment and rigidity in the structure of prices and monetary policy. There is also the serious question of Berlin. Hence, the long range economic problems of West Germany are still present and must be remembered lest too optimistic conclusions be drawn from month to month improvement in sectors of the economy.

Foreign Trade

The reported "cutback" in dollar aid for Western Germany was pointed out by Robert M. Hanes, chief of the ECA Special Mission, as being further evidence of the Federal Republic's willingness to vigorously promote trade liberalization programs sponsored by the OEEC and ECA. Mr. Hanes also stated that, although the goals programmed for 1949 had been exceeded, the industrial

expansion and re-employment of labor had not been raised to a degree that might have justified the use of the saving for increased industrial dollar imports.

The April commodity trade volume was not up to the record level established in March, but was nevertheless a creditable showing, especially since the deficit was reduced over-all, as well as with the "dollar area." April exports were \$128,000,000, and imports \$177,000,000. The deficit was thus \$49,000,000, a decrease from March. Exports to the participating country area decreased in April to \$96,000,000; imports decreased to \$100,000,000. Eastern European exports were \$9,000,000 compared to \$5,200,000 imports, marking the third consecutive month Western Germany had a surplus of exports with this area.

Western Hemisphere commodity trade was lower than March but sustained a higher level than other recent months. Exports totalled \$12,100,000 of which \$7,200,000 was to Latin America, while imports totalled \$45,500,000, of which \$15,500,000 was to Latin America. The excess of imports over exports to the United States was \$25,100,000, somewhat lower than the average for 1949 but still a formidable "dollar gap." The foreign trade pattern was as follows:

West German Foreign Commodity Trade April 1950

Categories	(Thousand dollars)	
	Imports	Exports
Food and Agriculture	75,376	3,173
Industry	101,414	124,952
Raw Materials	53,950	18,791
Semi-Finished Goods	23,377	24,976
Finished Manufactures	24,087	80,825
Total	176,790	127,765
Area		
USA	29,520	4,418
Canada	471	522
Latin America	15,487	7,209
Non-Participating Sterling	18,386	4,713
Other Non-Participants	12,434	14,395
Eastern Europe	5,216	8,974
Other	7,218	5,421
Participating Countries	100,381	96,127
Non-Sterling	86,515	88,849
Sterling	13,866	7,278
Unspecified	111	381
Total	176,790	127,765

Import Surplus: 49,025

Industry and Labor

The index of industrial production in April reached 104 percent (preliminary) of the 1936 level. The index thus climbed three points above the previous postwar high established in March, and stood 18 points higher than a year ago.

The greatest gains were recorded in investment goods industries, which climbed from 91 in March to 98 in April, especially the export industries (chemicals, machinery, optics and precision instruments). Sawmills and wood-

working, and stones and earths industries registered seasonal gains of more than 10 percent, vehicle production continued its steady upward trend with a gain of 16 points to 136. Actual volume production in many industries, however, was lower in April than in March because of the fewer number of working days. Production data for April are as follows:

Index of Industrial Production

	1949		1950	
	Apr	Feb	Mar	Apr p
TOTAL ALL INDUSTRIES				
(incl. electricity & gas) a/	86	98r	101rp	104
(excl. electricity & gas)	82	95	98rp	101
Investment goods (total)	80	90	91	98
Raw materials	71	74	77	83
Finished products	85	99	101r	108
General production goods				
(incl. electricity & gas)	103	117	120r	120
(excl. electricity & gas)	95	107	112r	112
Consumer goods	75	94r	96r	95

a/ Excl. food processing, stimulants and buildings.

r = Revised.

p = Preliminary.

Production of Major Commodities

Commodity	Unit of Measure //	1950		
		Feb	Mar r/	Apr p
Hard coal (gross mined)	thous. t	8,682	9,802	8,364
Crude petroleum	t	79,839	90,135	89,524
Cement	t	443,778	795,134	852,889
Bricks (total)	1000	163,906	198,235	242,046
Pig iron	t	664,380	767,094	682,629
Steel ingots	t	887,076	1,001,534	885,666
Rolled steel finished products	t	573,133	650,101	574,526
Farm tractors (total) i/	pieces	2,846	4,208	3,810
Typewriters d/	pieces	13,734	16,157	13,996
Passenger cars (incl. chassis for them)	pieces	13,743	15,457	14,739
Cameras (total)	pieces	91,922	139,003	130,569
Sulphuric acid. (incl. oleum)	t-SO ₃	82,867	91,354	91,434
Calcium carbide	t	41,464	55,440	58,456
Soap (total)	t	7,099	8,095	6,624
Newsprint	t	13,333	14,985	12,586
Auto and truck tires	pieces	198,413	202,458	163,113
Shoes (total)	1000 prs.	4,934	6,535	5,529

// = All tons are metric tons.

r/ = Revised.

p/ = Preliminary.

i/ = Excluding accessories, parts, and spare parts.

d/ = Standard, long-carriage and portable typewriters.

Registered unemployment, which has declined steadily since mid-February, dropped by 115,059 during May to 1,668,318 (1,192,127 males, 476,191 females). As of mid-May, unemployment was 11.4 percent of the estimated wage and salary earning labor force. Seasonal factors, particularly higher employment in building industries, were the main force behind the decrease, as indicated by the fact that males constituted a very high percentage of the decline.

At mid-May employed wage and salary earners are estimated to have risen to a total of approximately 13,500,000. If the present rate of increase is maintained for the remainder of the current quarter, employment at the end of June will have reached the September 1949 level (13,600,000).

If unemployment is to fall below a monthly average of 1,750,000 in either of the remaining ERP years, the average number of employed wage and salary earners will have to rise each year by at least 350,000, which equals the estimated annual natural increase in the wage and salary earning labor force without including refugees and repatriated prisoners of war. This does not appear probable at the present rate of economic expansion.

The question whether labor is to have a voice in the economic phases of management and in determining over-all policy for the general economy continued to be a leading issue. The CDU/CSU *Bundestag* (federal parliament) representation introduced a draft law which would regulate the so-called "right of co-determination" in the individual plant. The federal government was taking last minute measures to secure some agreement between employers' organizations and trade unions before submitting its own bill to the federal parliament.

An international trade union conference on the Ruhr, convened by the International Confederation of Free Trade Unions (ICFTU), was held in Duesseldorf on May 22 and 23, representatives from the US, Great Britain, France, Western Germany, the Benelux countries and Sweden participating. The conference agreed that the free trade unions are widely interested in a rational organization of Western European heavy industry and that the success of any such plan, such as that announced by French Foreign Minister Schuman, depends on the co-operation of the workers and their trade unions.

Agriculture

Part of the reduction in the dollar food import program for 1949/50 came about through lower prices from adherence to the International Wheat Agreement. The remainder arose from the fortunate crop situation and increased "non-dollar" imports from OEEC countries. Cutbacks in the program amounted to 30,000 metric tons of fats and oils, 100,000 metric tons of coarse grains and 400,000 metric tons of bread grains.

Further cutbacks in the 1949/50 dollar food imports seem possible, but have not yet been announced.

Finance

The shortage of investment funds for West German industrial and agricultural rehabilitation and development continues to be a major brake on economic expansion. German authorities recently presented to the ECA Mission a program for investment of capital funds including counterpart funds. The program estimated gross investment for 1949/50 at DM 20,100,000,000, of which DM 2,300,000,000 are GARIOA and ECA counterpart funds.

The Mission concludes that the level of investment programmed is insufficient to reduce unemployment to a tolerable level, and that the Federal Republic should in its 1950/51 programming find means of increasing investment and funneling it more effectively into sectors of the economy where critical need exists.

ECA Mission action to improve the investment situation included promoting the release of ECA counterpart funds, which totaled more than DM 1,000,000,000 at the end of April, and securing tripartite agreement in principle to progressive relaxation of restrictions on foreign investment in Western Germany. The Mission also suggested to the Federal Republic that certain liberalized operations in connection with the central banking system would be helpful.

+END

Occupation Log

1,000,000 Pounds of Food Given Berlin

Gifts arriving from the United States "should be regarded as only one more sign of the steady concern for Berlin which preoccupies Americans," according to US Commander in Berlin, Maj. Gen. Maxwell D. Taylor.

General Taylor spoke at ceremonies to present 1,000,000 pounds of food sent to Berlin under a Stateside "Iron Curtain Refugee Campaign." He cited the food contributions—powdered eggs and milk—as additional evidence of "American regard for Berlin which has shown itself in the airlift, in ECA aid, and in many other forms."

He also expressed the hope that "the day is not far off when a restored Berlin will no longer need the gifts of the outside world."

Begun with an appeal for \$40,000 to finance shipments of food to Europe, "Project Berlin" achieved a subscription totalling \$85,000 in a single week. It was sponsored by the International Rescue Committee and endorsed by Gen. Lucius D. Clay, former US Military Governor for Germany, by Admiral Richard E. Byrd and Sumner Welles.

The first shipment of food will benefit an estimated 170,000 needy west Berliners, reaching them through 800 official and private organizations.

Mayor Ernst Reuter of Berlin responded to the food donations with "(Berlin people) consider this aid a demonstration of solidarity for and understanding of the significance of their resistance against totalitarian oppression."

UAW Presents Truck to UGO

America's United Auto Workers union (CIO) made a gift of a sound truck to the Independent Trade Union Organization (UGO) in Berlin during May.

As far back as December of last year, Walter Reuther, president of the United Automobile Workers, promised this

On behalf of the United Automobile Workers of America, Abe Kramer (right), chief, Labor Affairs Division, Berlin Element, HICOG, presented sound truck to the Independent Trade Union Organization (UGO) at HICOG Compound in Berlin May 26. Gift to Berlin workers betokened solidarity and friendship of UAW's 1,000,000 members.

(US Army photo)



truck to the UGO as a token of the solidarity and friendship of the 1,000,000 members of the UAW for the Berlin workers united in the UGO.

The truck, a Willys' jeep with overdrive, carries the most modern record-playing and loudspeaker equipment, capable of carrying voice and music to large gatherings. A similar truck was donated by the UAW to the "Force Ouvriere," the democratic organization of trade unions in France.

Child Guidance Services Discussed

How can teachers better understand their pupils? How can they develop increased sensitivity to child development and educational needs?

One of Germany's neglected postwar education problems, this teacher-student relationship, was tackled at a conference of American and German education authorities and US Education Service Center personnel at a May conference in Jugenheim, Hesse. It was designed to provide child guidance services in German communities.

The conference was to survey what facilities and personnel the US Education Service Centers can provide in organizing guidance services for Germany's young. The program was to include discussion of testing programs, in-service training to teachers in child development, co-operative arrangements with special clinics for more disturbed children, and working with German psychologists and psychiatrists.

RIAS in Printing Business

SINCE THE SOVIET-LICENSED press won't print its broadcasting schedules, RIAS, the radio voice of Free Berlin, has gone into the printing business itself.

A weekly broadcasting schedule, listing the programs aired over the American-sponsored radio station in Berlin, is now available for free distribution on newsstands along the Iron Curtain. Present production stands at 25,000 copies, but it is expected to increase shortly to 50,000 copies. In mid-May, 1,500 copies were handed out to Soviet Zone and Sector visitors of the free newsreel showings at the US Information Center (*Amerika Haus*) in Berlin.

It is anticipated that this scheme will further enlarge the RIAS listening audience in the Soviet area of control, estimated at up to 91 percent of the total audience in this area, the population of which owns approximately 2,500,000 radio sets.

Hesse's Relief Bill Down

Citizens of Hesse are shelling out one-fifth less for relief this year than they did last year.

During the fiscal year 1948-49, every Hessian paid DM 21.23 for non-institutional relief, while during the fiscal year just ended, the per capita rate amounted to only DM 16.85.

During the last fiscal year, Hesse aided 146,000 persons with a total contribution of DM 72,000,000. This was DM 17,000,000 less than during the previous year,



Mrs. John J. McCloy and Mrs. Lucille Newton-Fischer, representative for international activities of the American Red Cross in Frankfurt, presented June 2 to the Annette von Droste Huelshoff School, in Berlin, music albums donated by the American Junior Red Cross. Mrs. McCloy is second from left in front row, Mrs. Newton-Fischer at left, second row. (US Army photo)

when more than 248,000 persons were supported by Hessian welfare authorities.

The decline is mainly due to immediate aid (*Soforthilfe*) payments and to the increase of pensions in compliance with the Social Insurance Adjustment Law, which, in many cases, is doing away with additional relief.

"Democracy by Influence" Recommended

"Due to the pressure from the East, the problems and tasks of American women in Germany are becoming more and more urgent," Mrs. John J. McCloy declared at the women's zonal welfare conference at the Rest Center at Chiemsee.

Speaking before an audience of some 50 American women from all US Zone states, Mrs. McCloy said that "one of the chief points of the Communist attacks" originates from their women's organizations. American women, she continued, must try to "get deep" into the German community and give a good example of real democracy "by influence, friendliness, patience and generosity."

In order to help solve the numerous problems of occupation, it is important for the women of the United States and Germany to understand each other. "We really do not have much time," she concluded, "it is just five minutes before midnight."

Homes Provided for 600 Czech Refugees

Hesse has been designated as "home" for 600 more Czech refugees.

Hessian Minister President Christian Stock was instructed by Dr. James R. Newman, State Commissioner for Hesse, to prepare for the new arrivals. The US official pointed out that facilities suggested by the Hessian government near Darmstadt have been inspected and, if prepared at once, would be adequate to house the refugees.

Two large *Kaserne*-type buildings would house 350 persons, a former officers' home would accommodate another 50, a wooden barracks 100, and a fourth building 50. Also available in the community of Babenhausen are a former theater building and several stables.

Dr. Newman told Minister President Stock to expand the Babenhausen capacity to accommodate additional refugees, in the same category, that might be assigned to Hesse.

ERP School for Community Leaders

If the story of ERP isn't already well-known, an ERP school for community leaders will help to tell it. A school has been opened at Niederpoecking, near Starnberg, in Bavaria, to enable community leaders more effectively to tell the story of European recovery to cities, towns and on farms throughout the state.

The school is to cover four or five days of extensive study of the various aspects of the Marshall Plan and its objectives.

"It is expected that the school will provide an excellent source of discussion group leaders and town meeting speakers from which US resident officers can draw for their informational programs," said Richard N. Meyer, chief of the Adult Education Section of OLCB's Public Affairs Division. "Bavarian community leaders will be better equipped to acquaint their fellow Germans with the Marshall Plan and to show how the individual himself plays an important role in this overall economic recovery effort."

Seven members of the German parliament (Bundestag) returned to Rhine/Main airbase May 23 after five-week visit to the United States, where they observed government operations at the national, state and city levels. L.-r., the exchangees are Dr. Eduard Wahl (CDU, Heidelberg); Willie Fischer (SPD, Fuerth); Willi Lausen (SPD, Stuttgart); Erich Lange (SPD, Essen); Aenne Brauksiepe (CDU, Duisburg); Dr. Josef Trischler (FDP, Munich), and Dr. Gebhard Seelos, Bavarian Party, Munich.

(PRD HICOG photo)





Monsignor Nicholas Wegner, successor to Father Flanagan of Boys Town, Neb., made in May a tour of inspection of youth activities in Germany, visiting the Buchoff Boys Town in Bavaria and conferring with sponsors of a similar enterprise at Karlsruhe. On his visit to the USAFE Headquarters, Monsignor Wegner (second from left) was photographed, l.-r., with Sgt. Donald L. Roybal, director of Buchoff Boys Town; Dr. Robert L. Welch, deputy Resident Officer in Karlsruhe; Capt. T. Blatz, chaplain; Rev. Walter Adloch. (USAFE photo)

Approximately 30 Bavarian leaders were to be invited from a group of persons nominated by US resident officers from their counties.

Newsmen Tenants Granted Extension

Newsmen, consular representatives and certain businessmen can relax — EUCOM doesn't intend to evict them.

These three groups (the businessmen are those who came to Germany to assist the US authorities in their occupation mission) were informed on July 1, 1949, that their homes would be derequisitioned at the end of one year. Thereafter, they would be obliged to find new quarters, or make private arrangements for continued occupancy.

But additional time has now been allowed by the European Command so these people may make satisfactory arrangements for housing and other necessary accommodations.

Approximately 165 members of consular staffs and missions and about 60 businessmen, with their dependents, are affected by the extension. The extension of the privilege to occupy space derequisitioned under the notice of July 1949 will affect only members of these groups who were in the US Zone at that time and who have been unable to make their own space arrangements because of current shortage.

The extension is being granted to effect transfer of these groups to the German economy without undue hardship. Originally, members of these groups who had not found housing on the German economy would have faced "mass eviction" July 1.

German owners of property occupied by such persons are reimbursed at standard rental rates. Thus no cost to the Occupation Forces is involved in continued retention of such property by these persons.

Seven RO's Assigned to Hesse Posts

Hesse gained seven new resident officers in May.

The new resident officers are part of the first group specially trained by the State Department, at the Foreign Service Institute, Washington, D.C., for foreign service as resident officers. Their courses included German area and language study. Their training was continued at HICOG Headquarters and at OLC Hesse before they were given assignments.

Charles Thomas Butler has been assigned to Eschwege, Jonathan Dean to Main-Taunus, Earl Henry Lubseansky to Kassel, Robert L. Ouverson to Erbach, John D. Gough to Gelnhausen, John P. Shaw to Witzenhausen, and Thomas Clifford Stave to Alsfeld-Lauterbach.

More Free Shoes For Kiddies

There will be 150,000 more pairs of shoes for Germany's children this year — thanks to a DM 5,000,000 contribution from the German Federal Republic.

These shoes, and 100,000 sets of bed-linen and more than 175,000 children's coats, will be manufactured under the aegis of UNICEF — the United Nations International Children's Emergency Fund.

The government's contribution to the central financing of UNICEF activities followed a two-day conference in Berlin attended by federal and state officials and UNICEF representatives. It illustrated the keen interest of government in welfare problems of German children and youth.

Since the UNICEF Mission to Germany was established on Dec. 1, 1948, 175,000 pairs of shoes, 121,000 pairs of woolen stockings, 65,000 woolen pullovers and other items have been distributed to German children.



Four German veterinarians are briefed by Dr. Karl Buhl (center), Frankfurt city official, prior to departure in May for United States under ECA's technical assistance program. L.-r., Dr. Hans Schellner, of Schleissheim; Prof. Martin Seelemann, Kiel; Dr. Buhl; Dr. Arthur Thiele, Oberhausen, and Dr. Wilhelm Meyer, Hanover.

(Photo by Jacoby, PRD HICOG)



Mrs. J. E. Weisler (black dress) with the Frankfurt Military Post Girl Scouts at annual Court of Awards at the Colonels' Mess in Frankfurt Casino. Mrs. Weisler, who hails from Texas, is leader of troop made up of children of US personnel. Many scouts received awards. (US Army photo)

McCloy Speech Urged on Schools

US High Commissioner McCloy's London speech of April 5 is now recommended reading for all school officials in Hesse.

The study of American occupation policy in Germany is to become the theme of political lessons in all Hessian schools. In a directive published in the official gazette of the Hessian ministry of education, Dr. Erwin Stein, minister of education, recommended that all school officials brush up on their facts by studying Mr. McCloy's speech, held before London's Pilgrims Society.

In his recommendation, the Hessian minister pointed out that this important speech contained all the basic facts about US occupation policy.

Film Synchronization to Aid Berlin

America's large motion picture firms* will bring from between DM 6,500,000 and DM 7,000,000 worth of business to Berlin during the coming year. The firms are expected to place dubbing and synchronization orders in this sum; contracts have already been concluded by MGM, RKO, Paramount, Fox, Warner Brothers, United Artists and Universal for the synchronization of 70 pictures. Republic Pictures intends to do all its synchronization — 15 pictures next year — in Berlin.

The synchronization and laboratory work will give employment to 120 artists and technicians for each film.

Included in the program is the far-famed Oscar-winner "Gone with the Wind."

Ex-Food Official Gets 90 Days

Ninety days in jail were confirmed in May for Fritz Dietz, former member of the Hessian Food Ministry, for

* See "Hollywood Stars Speak German" in the May 1950 issue of the Information Bulletin.

refusing to answer questions of US decartelization officials during an investigation. Confirmation of the sentence came from the Court of Appeals of the US Courts of the Allied High Commission.

Dietz was tried in Frankfurt last July and convicted on two counts in the charges. The case was argued in Nuremberg during April and conviction was affirmed on one count.

Dietz was questioned in February 1949 in connection with an investigation of his activities while an official of the Hessian Food Ministry. The investigation disclosed that the Hessian government had made a loan to the Wetterau Sugar Company. Dietz refused to answer questions concerning the existence of a contract between the sugar firm and the Gebrueder Dietz company, in which he was interested.

Soviet News, Thought Control Detailed

Wolf Littmann, news editor until recently of the Soviet-controlled Radio Halle and now a political refugee in Free Berlin, told an AFN listening audience that the *Freie Deutsche Jugend* (FDJ) is a weapon in the Communist ideological war and that Soviet Zone youth is being systematically perverted to communist ends.

Littmann declared he had fled the Soviet Zone when Communist and Russian pressure, censorship and directed thought became intolerable. "Every manuscript I prepared for broadcast," he said, "had to be submitted for approval first to the chief editor, who represented the SED, and then to the Russian control officer, a captain of the Soviet Military Administration. Political censorship was terribly strict."

Littmann, himself formerly a member of the SED and the FDJ, reported that membership in the SED was a



Edgar T. Martin (left), communications specialist with the Office of Economic Affairs, HICOG, received commendation for meritorious service overseas from Robert M. Hanes, director, Office of Economic Affairs, and chief, ECA Special Mission to Germany, in his office at HICOG Headquarters Building, Frankfurt, May 11. (PRD HICOG photo)

prerequisite for professional activity in the Soviet Zone. Individuality and personal opinion which did not adhere strictly to the "party line," he said, were taboo in the Soviet Zone society.

"The FDJ is an organization patterned after the former Hitler Youth," Littmann declared. "All of its leaders are members of the SED... so that the Communist-controlled SED controls the FDJ through its leaders. Through the FDJ, the Communists are trying to carry their ideas into western Germany," he said. "Parents of West German members of the FDJ do not realize the situation in the Soviet Zone... they do not realize how dangerous it is to have the minds of their children exposed to the thinking of eastern Germany.

"Many of the FDJ members in western Germany," he went on, "are only members because they think of the FDJ as a youth organization and do not realize what is behind it... they do not realize the great danger that it holds for the peace of both Eastern and Western Germany."

Berliners Get News via Telephone

More than 10,000 Berliners these days are getting their radio news by telephone. All they do is dial "23" or "24,000" and tune in on news broadcasts from RIAS, the American-operated radio station in Berlin.

More than one-third of the listeners are Soviet Sector residents — and it's rumored that many a Soviet-controlled official is among them.

The idea of bringing the latest news into Berlin homes by telephone was first conceived during the blockade with

In Keno Theater at Stuttgart's main railroad station, Maj. Gen. Charles P. Gross (extreme right) spoke at ceremonies attending opening of Marshall Plan exhibit aboard a 15-car train now on a 50-day tour, displaying goods manufactured in Wuerttemberg-Baden factories aided by ECA. L.-r., seated, are Luther H. Hodges, chief, Industry and Commerce Division, HICOG; Dr. Hermann Veit, W.-B. minister of economics; Arnulf Klett, mayor of Stuttgart, and George L. Erion, recently-appointed chief, Economics Affairs Division, OLCWB.

(PRB OLCWB photo)



Sign of the Times

To make things easier for HICOG Reactions Analysis survey teams, advance notices are sent out to prospective interviewees, asking when they will be at home. Some of the replies read like markers in 20th century history. This reply in English was recently received from a German woman residing in the US Sector of Berlin:

"Please take notice that addressee Rudolf Falk died on March 6, 1950, in consequence of the three years prison in Camp Buchenwald from May 1945 to August 1948."

its frequent shut-offs of electric current. Technical difficulties prevented execution of the plan at that time.

The plan was revived last year, but for a different purpose. With the intensification of the Cold War and the increased terror in the Soviet-occupied territory it became desirable to offer such a service above all to the population of the Soviet Sector and Zone areas near Berlin and

connected with the local telephone net. The service was put into operation on Oct. 1, 1949 and was an immediate success. By telephone, any phone customer is able to hear two to three-minute tape recordings of the latest news. Three times daily a new recording is available.

When, early this year, RIAS officials discovered that Soviet Sector postal authorities were attempting to block the first number — "23" — they set up the second number. Telephone experts claim it is almost impossible, or would take at least six months and great effort, to block the five-digit-number, "24,000."

Since its initiation the service has expanded from 100 lines to its present 145.

15-Car ECA Train on Tour

A teletype message was transmitted to Paul Hoffman, ECA Chief in Washington.

"We desire to inform you that the 15-car (ECA) exhibit train, the first of its kind in any of the participating countries, has today started its 50-day journey through Land Wuerttemberg-Baden.

"Carrying the goods of more than 300 Wuerttemberg-Baden industries, the train is eloquent testimony to success of the international co-operation which marks ERP."

This message was sent in the latter days of May from Car No. 15 of the 15-car Marshall Plan exhibition train which began its tour from Stuttgart.

Ceremonies in Stuttgart's railroad station launched the event. High-ranking American and German officials made speeches to an overflow audience and prizes were awarded to five Stuttgart elementary school children who won a recently-completed Marshall Plan contest.

The public was admitted to the train before it began its tour of 25 Wuerttemberg-Baden cities.

School Reform Aired in Bremen

Progressive education is being "advertised" on the air waves of Radio Bremen, local German station. A biweekly program series designed to create wider public interest in and understanding of modern progressive educational methods was launched recently in the area.

The series, under the general title "For Parents and Educators," began with a talk by Christian Paulmann, Bremen senator for schools and education, on the advantages of Bremen's recently enacted school reform law.

He stressed that the reform offered equal educational opportunity to all children regardless of wealth or social position. The law also recognizes the right of parents to observe and influence the functioning of the school system. It gives a parents' association an official voice in the main education policy committees. In this respect Bremen is far ahead of the rest of Germany.

Mr. Paulmann concluded: "There is no place in our schools for slave mentalities. Our aim is to awaken the spirit of responsible citizenship in the hearts of our youth."

Furniture Orders Boost to Berlin

Berlin's economy got another boost as orders placed by US Occupation Authorities jacked furniture production up 15 to 20 percent.

The 15 Berlin factories working on American furniture orders hired approximately 100 unemployed laborers and technicians as a direct result of the increased demand. The 100 represent about 20 percent of all employees in the 15 plants.

Stepped-up production in west Berlin furniture factories became possible in March 1950 when orders for DM 2,000,000 worth of high-grade household furniture were placed by US Army procurement officers.

Civic Knowledge Pays Off

Knowing about your city government and democracy's principles pays off in Berlin.

Forty-eight German boys and girls from the 11 German Youth Activities centers of Berlin and the *Haus der Jugend* were selected for a pleasure flight over West Berlin May 20 as guests of the US Air Force in Europe. They were chosen on the basis of an examination on democracy and the functions of Berlin's government.

Quizzes were conducted among approximately 6,000 young Germans. The flight coincided with the Armed Forces Day celebration in the city.

Bremen's Progressive Medicos Praised

Laurels to Bremen's physicians were passed out by Dr. Gerald N. Rein, public health and welfare adviser for the Public Affairs Division, OLC Bremen.

Dr. Rein commented upon the "Continuation Course for Physicians," the first of its kind since the war's end, held in Bremen for physicians from all parts of western Germany. Main speakers were prominent medical experts from Bonn, Duesseldorf, Muenster, Hamburg, Goettingen, Frankfurt and Bremen.

Aim of the conference was to give a great number of physicians in western Germany a chance for free interchange of opinion and ideas on recent medical developments and to build up a more personal contact with one another. Dr. Rein praised it as an encouraging forecast of progressive medical practices by Bremen physicians.

Orphan in US as VFW's Guest

An 18-year-old Berlin orphan is presently in the United States as guest of the Ladies Auxiliary of the Veterans of Foreign Wars.

Irmgard Remme was chosen for the trip among 30 teenagers under the Ladies Auxiliary's "Foster Parents' Plan for War Children," launched in March of this year. Under the plan, teen-age war orphans are exchanged between the United States and six European countries.

Only three days prior to her departure, Miss Remme graduated from high school. When she returns from the United States, she plans to begin studies of German language, literature and journalism at the Free University of Berlin. She had in mind "many questions" to ask the youth of America, and hoped to find there the optimism and strong ideals which she feels so many European youths lack.

The Ladies Auxiliary's project has been commended by US High Commissioner McCloy as "a voluntary extension of the HICOG Cultural Exchange Program and, as such, a bridge between the youth of Europe and America."

Postal Rates Identical in All Zones

Uniform rates for all official postal, postal financial and telecommunications services to the Allied forces in Germany have been established by the Deutsche Post.

The changes were effected by communications representatives of the Allied High Commission and the German Federal Ministry for Posts and Telecommunications.

Thus are eliminated a number of differences in the rates previously charged for official services in the US, French and UK areas of control. In general, the terms of the agreement call for the application of normal commercial rates for official services and facilities. +END

Nicholas Semaschko, Resident Officer at Heilbronn, received June 2 a photo album as a gift of appreciation from the mayors of 29 towns in the county of Esslingen, near Stuttgart, where he had served as Resident Officer for more than three years. Mr. Semaschko (center) leads through album with Georg Geist, Esslingen county councilor.

(Photo by Claude Jacoby, PRD HICOG)



German Editorials

This section is compiled from a summary prepared by the Press & Publications Branch, Information Services Division, HICOG, of editorials in the German press.

The publishing of these German editorials is intended to inform the American readers of what the Germans are writing and thinking, without interpretation. The inclusion of any statement from the German press does not give concurrence to the view or opinion.

WITH OBVIOUS RELIEF the West German press published reports, mostly from its own correspondents, on the quiet course of the Berlin Whitsun demonstration of the *Freie Deutsche Jugend* (FDJ), the so-called Free German Youth of the Soviet Zone.

Most papers stressed the fact that it would be well not to rejoice too loudly because further provocation from the East might be expected at any time. The press also shook its head over the fact that the Eastern powers—that-be have apparently succeeded in winning over a high percentage of East zone youth. There was a general drawing of parallels with similar Hitler demonstrations.

A large part of the press pointed out with pride that much of the Berlin population, in both the Eastern and Western sectors, blandly ignored the demonstration.

Whitsuntide in Berlin

Frankfurter Neue Presse (Frankfurt, June 1) believed that the Soviet Zone offensive against the West will continue, since the SED cannot afford to risk a merger of the zones. However, this aggressive policy against West Berlin and the Federal Republic will be characterized, the paper believed, by an avoidance of direct provocation of the Western Occupation Powers.

Frankfurter Rundschau (Frankfurt) contrasted the cool attitude of the West and East Berlin populations with the enthusiasm of the FDJ children:

"This march was impressive, we must frankly admit, but the Nazis did it even better. The latter at least suc-

ceeded in enthusing the general population whereas this time the East Berlin population was apathetic, to say the least. In this respect Berlin's East sector and East zone are closely bound; they both display every evidence of passive resistance. The real feeling of these populations would very quickly be demonstrated in a free election."

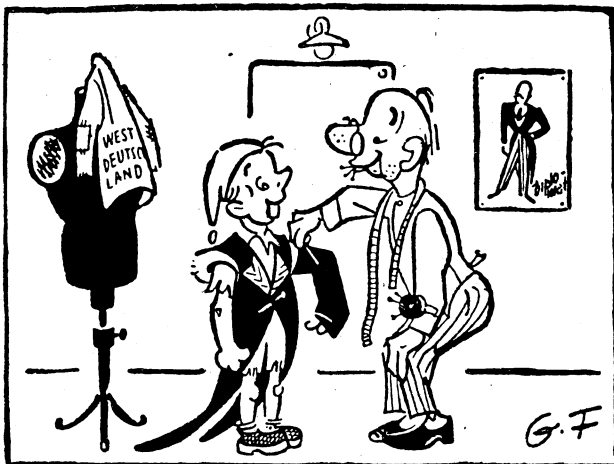
Sueddeutsche Zeitung (Munich) also stressed the attitude of the population: "It was undoubtedly a masterpiece of totalitarian organization. But we have been well acquainted with such arts in Germany since 1933, when even the emissaries of the Western democracies were awestruck and moved to reverence by Nuremberg Party days. We, however, find the demonstrative lack of interest of the East Berliners the most impressive feature of the present occasion."

The paper, however, was depressed by what it called the obvious fact that East zone German youth had been largely won over to the Soviets by the same methods that prevailed in Hitler times, namely, uniforms, marches and mass organization.

Frankfurter Allgemeine (Frankfurt) added a warning: "Once more the tread of half-a-million youthful marching feet sounds through the ruined streets of the erstwhile Reich capital. Many of them are honestly convinced that they serve a good cause. We in the West should take this to heart. It is easy to treat the situation with ridicule and irony, but the West should not underestimate its seriousness despite the fact that no incidents occurred."

German Opinion in Cartoons

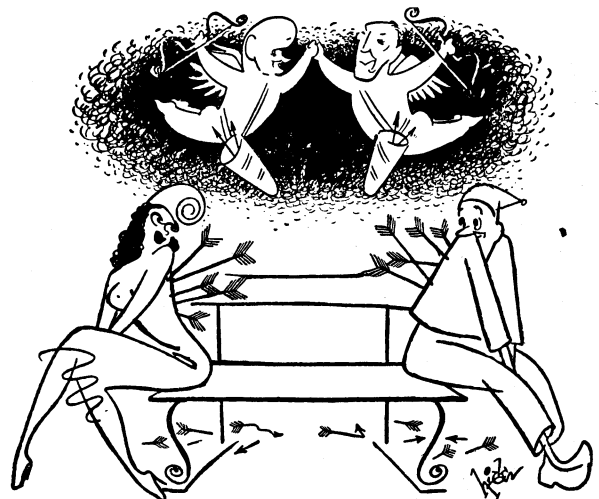
(Nordsee Zeitung, Bremerhaven, May 20)



Diplomatic Equality.

"HICOG says I can have long pants, too."

(Europa Kurier, Hamburg, May 19)



Spring is here!

America and Europe

Der Volkswirt (Frankfurt, May 26) sees political reality in Europe determined by American conceptions and initiative:

"The greatest surprise of our days is the steadiness and consequence with which the United States pursues its political course...

"The novice of 30 years ago, whose enthusiasm was quickly outwitted and disappointed by European political routine, has ripened into a man with a keen sense of responsibility who knows exactly where he is going... The tender ideological plants brought forth by Woodrow Wilson in the conferences after World War I have grown into stately trees in whose shadow beaten Europe seeks peace.

"The Messianic element in American political conception which was greeted with such scornful laughter 30 years ago has proved itself so strong that it today determines the course of political events all over the world. It consists of the strong belief that the American way alone leads to peace and security. This American sense of having a mission has done more to change the political face of the world than the war itself...

"It has destroyed colonial empires, has changed the framework of states and continents and has resulted in an orientation of the world toward America in place of Europe.

"In this respect Europe is finished. It is not only CARE packages and Marshall Plan dollars which keep Europe alive, but also the political ideas which flow out of America today...

"For the European mentality it is difficult to realize that American statesmen mean exactly what they say. In European opinion the essence of political action consists of tricks, deception, mistrust and secret pacts. A clear statement of political aims is regarded as either stupidity or an attempt to deceive. It took a long time for Europe to realize that Marshall help, world export liberalization, lowering of tariff walls, the Clearing Union and the Atlantic Pact were realities and part of a comprehensive plan which the Americans were tenaciously following. The announced aim of an organization for peaceful and prosperous co-operation among the nations is too simple for Europeans to grasp without suspicion...

"Germany is perhaps the country where American aims are best understood and appreciated, because Germany's hope and future are necessarily bound up with a European federation such as the Americans have in mind..."

Monnet in Germany

The talks between Jean Monnet, French planning commissioner, and Chancellor Adenauer occupied considerable press attention as the first official Franco-German contact on the Schuman Plan. The **Mannheimer Morgen** (Mannheim, May 24) even went so far as to characterize the Monnet-Adenauer meeting as one of the most important events since the foundation of the Federal Republic.



*Franco-German
Steel Merger.*

Schuman:

*"We supply Monnet;
who supplies the money?"*

The overwhelming majority of press opinion favors the Schuman Plan, but the first burst of enthusiasm has now given way to some hesitation and doubt. For one thing, there is frequent mention of the fact that much will depend upon the spirit of the negotiations, that is, whether Germany will be regarded as an equal power independent of the restrictions hitherto placed upon it.

Sueddeutsche Zeitung (Munich) demands that preparatory discussion on the Schuman Plan be conducted on a basis of equality between capital and labor as well as between countries.

Moreover, the fact that France itself seems by no means in unanimous agreement in regard to the plan is also causing a certain amount of skepticism. Many papers profess to see a behind-the-scenes struggle developing between Paul Reynaud as spokesman of French private industry and Jean Monnet as proponent of a state-controlled organization.

McCloy's Hanover Speech

US High Commissioner John J. McCloy's speech at the opening of the America House in Hanover was given widespread publicity and was generally regarded as a significant utterance. The **Frankfurter Neue Presse** (Frankfurt, May 25) was especially impressed by the declaration that Allied troops in Germany are no longer essentially occupation troops, but are here to defend Germany and Europe against dictatorship and oppression.

"Here is proof from the highest source," says the paper, "that Germany is no longer merely a pawn in the game of the great Powers, but at least a state with independent rights. This opens hopeful perspectives."

Wiesbadener Kurier (Wiesbaden) assesses Mr. McCloy's speech as almost equivalent to a peace treaty. It rejoices over his declaration that the vital and non-fatalistic German people cannot be neutral in the present situation and concludes by saying: "He is right, free men can only choose freedom."

Federal Police

Die Rheinpfalz (Ludwigshafen, June 6), commenting on rumors and denials concerning Dr. Adenauer's proposal and the West's alleged determination to establish a Federal police force, writes: "... The London Conference showed that the Allies no longer consider their forces in Germany as occupation troops but as protection for the West German territory. Therefore, it is up to them to take over the tasks which the federal chancellor apparently has intended for his federal police..."

The paper refers to the states' objections to establishment of a police force on a federal basis since police authority is vested in the state governments, and their doubts whether the Basic Law permits creation of an institution which had not been provided for and the purpose of which cannot be seen.



Love's Labor Lost.

Insurance Agent Trygve Lie: "He doesn't seem to want any."

"Or should the name 'Bundespolizei' cover something which exceeds the original purpose of a police force? Let us hope this is not so. Let us rather believe Mr. McCloy's words that a federal police force must not be of military or similar nature. However, it would have been best if talk about this force...had not been started at all."

Easing of Industry Control

Hessische Nachrichten (Kassel, June 6) welcomes the new decontrol measures* announced by the Allied High Commission and sees therein symptoms of a new Allied attitude toward West Germany: "In as much as Germany is to become a member of a great economic union (Schuman Plan), matters are being viewed from a different angle. Germany is part of Europe and its steel and coal merger can flourish only if economic prosperity of each member state is assured."

"New Line in US Policy"

Europa Kurier (Hamburg, May 19) is enthusiastic: "...Recent attitudes and expressions of Allied statesmen give the German people a chance to breathe with relief for the first time since the end of the war...It began with the surprising French offer of economic cooperation...It continued with the speech of the US Secretary of State to the British Pilgrims' Society, in which he acted almost like a blood brother of the Germans and left no doubt in anyone's mind about the new line of US foreign policy...The London Conference, which was at first regarded with skepticism here, ended with a communique which was entirely in the spirit of the Schuman Plan, which for the first time embodies a sin-

* Due to pressure of space, the full texts of the industry and other decontrol laws enacted by the Allied High Commission early in June are being held over and will appear in the August 1950 issue of the Information Bulletin. — Editor.

cere proposal without tricky or humiliating conditions and which completely lacks the pharisaical tone to which we have become accustomed...

"The Schuman Plan represents a victory for the French which completely wipes out their defeat of 1940...and which can turn out to be of greater significance for Europe than all military victories of the past century taken together — provided that it is wisely and energetically followed through..."

"The revolutionary nature of the French merger plan is particularly in evidence in its references to Africa...which offer prospects for the future which are positively breath-taking...A European state with Africa as a hinterland could build an economically and nationally sound 'Third Power' whose very existence would act as a balance between the East and West power blocs."

"The German people have been assigned a decisive role by fate on this divided European continent. A rush for German favor has begun. As first reaction to the Schuman Plan, Stalin reduced oppressive reparations by 50 percent...and Stalin and the Kremlin will have other trump cards to throw on the table which will perhaps please the Germans even more."

"One day the German people will have to decide. We do not doubt that they will decide for free Europe, whose contours are now becoming visible. It would be good policy for the Allies to make the decision easy..."

Advantages of Democracy

Die Zeit (Hamburg, May 25) says that the fact that Assistant High Commissioner Bittenwieser was not permitted to deliver his planned speech to the Anti-Defamation League in Chicago was offset by the fact that it was published in practically every American newspaper:

"Many people in Germany probably grinned to themselves over the undemocratic reasons given by the Anti-Defamation League to justify its refusing its rostrum to Mr. Bittenwieser, who is Mr. McCloy's Assistant Commissioner. The League, which is a Jewish welfare organization, said: 'After reading a copy of your proposed

(Frankenpost, Hof, May 25)



Worker Plant Participation.

Adenauer: "In our zone the workers will soon have a voice in management!"

Grotewohl: "In ours we're giving even the employers a voice!"



Remilitarization.

"If he rejects it, he's no European; if he takes it, he's a militarist!"

"After all that has happened, it is not surprising that a Jewish committee does not agree with the view of the Assistant High Commissioner that not all Nazis were devils. On the other hand, one must acknowledge the fairness of a man like Benjamin Buttenwieser, who no doubt thought otherwise in 1946, when he today openly declares that 'even former Nazis, who have been acquitted or have paid the penalty, must again be allowed to work in the community as accepted members.'"

Denazification Scandal

Christ und Welt (Stuttgart, May 18) says that the German population is in agreement with the attitude of the American authorities in the Stuttgart denazification investigation:

"Every state suffers from a certain amount of corruption... but the way such cases are handled when they come to light enables one to form a judgment, on state and government as well as its citizens... In the Wuerttemberg-Baden denazification scandal, the population, the US state commissioner, the press and the police found themselves in unusual agreement in their desire that the case be thoroughly cleared up as soon as possible... These forces were opposed by the suspects, by the government, the *Landtag* (state parliament) and the prosecutor — also a most unusual combination.

"This defense front tried to hush the whole matter up as a harmless political trifle. It did not act very skillfully and encountered strong opposition from the American Occupation Authorities... As a matter of fact, the German people must be sincerely thankful to Mr. McCloy and General Gross for their insistence in this matter...

"But the most remarkable part about the whole affair is that the Occupation Power thus encourages the people to take a stand against a government which it put in power itself in 1945... If we understand General Gross correctly he is now trying to tell us that the 'old politicians' of the Weimar democracy, such as are represented by

talk, we find we are not in agreement with it.' No doubt the 1,000 guests who came to Chicago to get authentic news of Germany from an authority on the subject were greatly surprised at such an authoritarian conception of freedom of speech. Nevertheless, the next morning they and many others who normally would not have heard about the speech at all, could read in all of America's newspapers what Mr. Buttenwieser wanted to say in Chicago.

"Thus it may be said that such an arbitrary act cannot be held against American democracy; on the contrary, the way it worked out clearly showed the advantages of democracy.

the present Wuerttemberg-Baden government, are unable to cope with present day conditions and should be replaced by more modern democrats. If this is your meaning, General, you will find thousands of adherents not only in Wuerttemberg-Baden but throughout the Federal Republic.

"Nobody can call the actions of the Wuerttemberg-Baden government in the May-Maier case democratic... Any attempt to picture the situation as a heroic struggle for German rights against the Occupation Power is doomed to failure. The fronts are unfortunately very clear. In this case the German population stands shoulder-to-shoulder with the American Occupation Power against the German government... This is an unusual alliance, but it is calculated to bring about order and decency in our state."

Crisis over Co-determination?

For some time the press has regarded the problem of the worker's right of co-determination as paramount in German domestic affairs. The question has now become critical due to a bill framed by the CDU/CSU which was rejected by the FDP and the Deutsche Partei. All of these parties being in the coalition, a major government crisis appears to be in the making.

Badische Zeitung (Freiburg, May 24) favored the bill outlined by the CDU/CSU because it follows a "middle course" and, in the opinion of the paper, offered an acceptable compromise for both employer and employee.

Frankfurter Allgemeine (Frankfurt) rejected the CDU proposal on the ground that it created an unnecessary critical situation at a time when, in view of the Schuman Plan, all German attention should be centered on foreign policy. The paper believes that forcing the issue on worker participation in plant management at this time could have an unpleasant reaction on international relations and points to a statement made in Virginia by Assistant High Commissioner Buttenwieser, who spoke of a degree of worker participation which might cause "uneasiness."*

Sueddeutsche Zeitung (Munich) regards the CDU proposal as merely a tactical political maneuver in connection with the (then) approaching elections in North Rhine-Westphalia.

War with Russia

Echo der Woche (Munich, May 19) says that the German people are increasingly in terror of war with Russia, but the paper believes that such fears unjustified:

"... The Institute for Demoscopy took a poll and put this question: 'Are you worried lest a war take place this year?' 74 percent said 'no,' 26 percent answered 'yes'... Although the overwhelming majority answered 'no,' the fact that a quarter of the entire people are in fear of an early war is a basic psychological element which must be reckoned with...

"We, however, do not believe that conditions have reached the point which justifies such fears..." +END

* See "Germany Today --- Economically and Financially," page 39.

Students More Liberal than Their Elders

FREQUENT CHARGES that German universities are strongholds of conservatism and nationalism have been substantially refuted by a HICOG survey. The survey disclosed that university students generally show more liberal attitudes and keener political interests than their elders.

The overwhelming majority of students questioned in the survey claim to be interested in politics, favor a government assuring civil liberties over one guaranteeing economic security, and are against shouldering a rifle again even if they were offered an officer's commission.

The analysis was made by the staff of the Reactions Analysis Branch, Information Services Division, Office of Public Affairs, HICOG, at the request of the Office of the State Commissioner for Bavaria, in February as an initial survey of a continuing study on the opinion of West German students.

Trained German personnel under professional American supervision interviewed 300 representative students at Munich University and 260 at Erlangen University. As many of the questions used have been frequently asked the US Zone public in previous surveys, the attitudes of students could be compared with general US Zone opinion in many instances.

IT WAS POINTED OUT that the study is only a preliminary one and a more considered judgment must wait on a larger, more detailed survey. Following are highlights of the survey:

Eight in 10 Munich and Erlangen students claim to be interested in politics, constituting a sharp contrast to expressed attitudes of the US Zone public, which since 1946 has registered majority disinterest.

If required to choose, about 70 percent of the students would select a government assuring civil liberties, over one guaranteeing economic security. This was a marked difference from US Zone respondents who, when asked the same question, voted six out of 10 for security.

Half of the students polled are of the opinion that Germans today are not capable of democratic government, giving as major reasons: insufficient experience in democratic procedures, and too soon after the Hitler fiasco to learn.

Nearly two-thirds of the students feel that present political parties are doing constructive work. Seven out of 10 are rather dubious about the good intentions of the parties, asserting that if a choice between general welfare and party advantage were necessary, the parties would look to their own interests. As some students phrased it, "The politicians will always do what they want, anyway."

About one-quarter of the students consider Germany responsible for the war, as compared to 37 percent of adults. Two-thirds of the students ascribe the origin of the war to such "particular circumstances" as "Hitler and his expansion policies;" "Germany became too powerful;" the Versailles treaty, and economic crises

throughout the world. More than three quarters of the students feel that Germany was defeated by superiority of the opponent, and about a sixth by treachery at home, while but 45 percent of US Zone adults credited military superiority and 38 percent blamed treachery.

To the question: "Suppose Germany had an army again — would you want to become a soldier?" 96 percent at Munich and 91 percent at Erlangen replied "No." Even with the opportunity of becoming an officer, nine out of 10 were still against joining an army. About 70 percent of the students are German army veterans.

CHECKING STUDENT attitudes toward nationalism, the survey showed that almost half the students in both universities defined it in terms such as "exaggerated pride in one's country," "extreme national selfishness," etc., clearly indicating that they consider nationalism dangerous. This compares with about 12 percent of the US Zone public who held a similar opinion, but more than half of the public was unable to define nationalism in any terms, while all of the students venture definition.

About two-thirds of the students express satisfaction with the accomplishments of the Bonn government, as compared to only one-third of US Zone adults who were satisfied. About three-fourths of the students feel the government was unduly influenced by the Western Powers, but only a fraction consider Bonn to be a puppet of the occupiers, and most students do not favor an early departure of occupation troops from Germany. +END

German Police in US Zone Total 61,634

The total strength of German police and specialized law enforcement agencies in the US Zone of Germany and the US Sector of Berlin was 61,634 on Jan., according to the latest semi-annual report by the Public Safety Branch, Office of Political Affairs, HICOG.



The colorful Horse Platoon of the 16th Constabulary Squadron (Separate) in Berlin celebrated its fifth anniversary with a parade and presentation of awards at McNair Barracks on May 6.
(US Army photo)

Declaration on Germany

THE LONDON CONFERENCE of Foreign Ministers in May dominated both the United States and German press and overshadowed all other events.

In American papers much of the comment centered on the Foreign Ministers' policy statements on Germany and editorial opinion on the meeting was linked with endorsement of the French initiative in making the proposal for pooling Franco-German coal and steel resources.

In western Germany, the majority of comment was more restrained than in the United States. The press, especially the weeklies, contained much disappointed comment on the London communique.

Despite US High Commissioner John J. McCloy's statement upon his return from London that the policy declaration on Germany did not herald a new Petersberg protocol nor foreshadow dissolution of the Allied High Commission, a number of German newspapers interpreted the Foreign Ministers' communique as betokening a speedy relaxation of reserve powers and denoting a complete change in the Western attitude toward Germany. The main body of the press, however, was more reserved in its attitude and warned against premature enthusiasm.

Some German opinion criticized the communique as insignificant, unclear as to actual content and intent, and characteristic of the vacillating attitude of the Allies on all German questions. Therefore, the newspapers said, in effect, let's turn from this to the concrete Schuman Plan.

MANY GERMAN NEWSPAPERS, however, joined with the American press in treating the results of the conference as encouraging signs for future Western co-operation rather than startling developments in themselves. In this they were in line with the ideas expressed by Secretary of State Dean Acheson in addressing Congress upon his return to the United States.

"I would not wish you to expect a report of events which could be described as sensational," Mr. Acheson said. "The significance of the discussions with Mr. Bevin and Mr. Schuman... lies in the fact they are working business meetings which are becoming a regular institution. In this aspect of the meetings, we see the outward sign of a comprehension which ran through every discussion and every resolution—that the North Atlantic community is emerging as a political reality of the greatest importance.

"This impression and one other should be underlined. The other is a new vigor in European life and European leadership. Mr. Schuman's coal and steel proposals, and the reception accorded them particularly in Germany, are one sign of this. The imminent solution of the problems surrounding the European Payments Union is another.

"These two developments—the growing acceptance of the North Atlantic community as a community having common interests and facing common dangers, and the renewed vitality and confidence in Europe—give warrant in saying that the meetings mark the beginning of

something new, something which is full of hope and the promise of strength."

In America:

THE BALTIMORE SUN, Baltimore, Md., said in part: "The three-nation communique on Germany promises Germany ultimate partnership in the West; the French suggestion is that a partnership be established immediately in the basic industries of the two major producers...

"The West has now realized that Western Germany at least is an essential part of its economic and political structure. The French have expressed willingness to take a chance that Germany can be made into a good neighbor.

"All of us are gambling, including indeed the West German government. Their position is a particularly difficult one, for they are smack up against the Iron Curtain and have only the weakest defense against a sudden Russian move. Moreover, even without war, their acquiescence in a plan conceived in the West will make it harder than ever for them to trade with their fellow countrymen in the East and so their economy will remain unbalanced."

The *New York Times*, New York, said the Foreign Ministers' statement that the occupation must be continued in the "common interest of Germany and of Europe" amounted in effect to a "security guarantee," and continued:

"What now remains to be done is for the Atlantic Council to find ways and means of making that guarantee effective for on the effectiveness of that guarantee also depends the security of all Western Europe and of the whole Atlantic world."

THE SCHUMAN PLAN is described by the *New York Times* as "by all odds the boldest and most dramatic European proposal" aimed at buttressing the free Western democracies "against the menace of Russo-Communist imperialism." Other leading American newspapers take similarly favorable views of Foreign Minister Schuman's plan, although a number of editorial writers caution that obstacles and difficulties lie ahead.

The *Washington Post*, Washington, D. C., claims there is logic about the French plan "that will doubtless repel the opportunists and the doctrinaires and the drifters in foreign-policy making."

The *Post* says it has been advocating this plan "as the necessary first step in establishing the European system in accordance with modern realities." It concludes, "the Schuman policy is based upon the concept of a new Europe which shall be co-prosperous and co-peaceful.

"Many have had this idea before Schuman, including Messrs. McCloy and John Foster Dulles..."

Walter Lippmann, syndicated columnist, termed the French proposal "the boldest, the wisest, the most far-reaching and constructive act of statesmanship since the end of the war."

It is magnanimous of the French government, "which is among the victors, to propose to its hereditary enemy,

which is defeated, that they enter into a full and equal, and indeed an intimate, partnership in European affairs," Mr. Lippmann declares.

In Germany:

FRANKFURTER RUNDSCHAU (Leftist — Anti-nationalist), Frankfurt, took the view that the London Conference represents a sharp change in Western attitude and policy and thinks that Moscow will be much disturbed by this evidence of solid common Western determination.

Frankfurter Neue Presse (Independent), Frankfurt, said that as far as Germany is concerned the gain is enormous; that no one could have dreamed of such a development one year ago; and that the London Conference opens the doors to the free world for Germany.

Stuttgarter Zeitung (Independent), Stuttgart, was less enthusiastic. It stressed that no progress was made on the question of German reunification and that relaxation of the Occupation Statute is merely an unsatisfactory sop. The paper believed that the Atlantic Pact Conference would greatly exceed the Foreign Ministers' Conference in importance, as the former would be much more concerned with realities.

Muenchener Merkur (Independent), Munich, pointed out that an anti-Russian front and an agreement on general German elections are mutually exclusive. The strong anti-Soviet language used at the Three-Power Conference blocks the way to agreement for the present.

Sueddeutsche Zeitung (Independent, moderate Left wing), Munich, characterizes the communique as a result of pressure of circumstances. The first task of the conference, according to the paper, was to work out a strategic plan to rescue what can still be saved from the spreading concept of a totalitarian mass state. It has become evident that such strategy will not be successful unless it includes co-operation of a greater and freer West Germany. For this reason the Americans particularly have begun to doubt the advisability of too much interference in internal German affairs.

Therefore, the *Sueddeutsche Zeitung* continues, the results of the conference should not be attributed to love for Germany but rather to the pressure of circumstances. Germany has little reason to feel triumphant, even over the fact that Germany and the Germans are obviously needed, because a return to a world which is in distress and is arming for its defense, is bound up with responsibilities and duties which will cost Germany dearly.

Kasseler Post (Nationalist), Kassel, maintained that Chancellor Adenauer is practically alone in his exceedingly optimistic interpretation of the London communique.

This paper cites a large number of skeptical foreign press voices and criticizes Allied insistence that Germany give further proof of its sincerity and will to peaceful democracy. This paper draws an ironical comparison between Germany and a giant tortoise named Goliath in the London Zoo. By holding a carrot in front of this reptile it is persuaded to give children rides on its back. It keeps following the carrot without ever actually getting it.

"Goliath is a silly animal. It doesn't realize that if it remained quietly in its shell it could force concessions from an impatient public."

THE LION'S SHARE of comment was accorded to French Foreign Minister Schuman's proposal for an integration of German and French heavy industry.

Many papers called it the most significant political step since the end of the war. A majority welcomed the plan and differed only in their stress on the problems and the difficulties which stand in the way of its realization.

Frankfurter Allgemeine (Independent — Nationalist), Frankfurt, comments: "If everything is done in the open, such as seems to be Schuman's intention, there will be less room for fear and inferiority complexes. The great value of the plan consists in the fact that France thus once more takes the political initiative on the European continent. If the plan is realized, the much discussed Third Power will begin to take shape and many vexing problems will be ameliorated, such as the Ruhr, the Occupation Statute, foreign coal prices and the steel quota."

Frankfurter Rundschau said: "We welcome this proposal because, firstly, it is concrete and, secondly, it is a favorable sign for the normalization of political relations with Germany, since at the moment the initiative in such matters must be taken by France rather than Germany. This is a bold and far-sighted plan which is thoroughly realizable."

Badische Neueste Nachrichten (Independent), Karlsruhe, said: "The period of Franco-German tension is now coming to an end. The logic of realities is forcing us upon the way to a united Europe. The pace may at times appear slow; in reality it is very fast."

Sueddeutsche Zeitung, Munich, regarded the economic possibilities with optimism but had doubts concerning the political wisdom of the plan. "It seems that it is intended to achieve by economics that which cannot be achieved by politics. Cartels and syndicates are not a new idea. France and Germany had a similar arrangement for potash and steel, but that did not avert World War II.

"The great danger is that such an enormous arsenal may again lead to war rather than prevent it."

Foreign Ministers' Declaration on Germany and on Berlin

The following is the text of the declaration on Germany by the foreign ministers of France, Britain and the United States, released May 14 in London:

1. Following the London Agreements of June 1948, and the Washington Agreements of April 1949, the USA, France and the United Kingdom replaced the military autho-

riety and the direct administration of the occupied territories in force since 1945 by a civilian regime simply of supervision. By virtue of this regime Germany was able to produce a constitution, proceed to free elections, call a parliament, form a government and elect a federal president. The federal government and the govern-

ments of the *Laender* (states) were able to take over the administration and control of internal German affairs.

Furthermore, by the agreement of April 13, 1949, the Allies decided to ease the burden of reparations on Germany. Some months later, under the Petersberg Protocol, an agreement was reached for a final

settlement in regard to the delivery of plants by way of reparations.

In the domain of foreign relations, the Petersberg Protocol made provision for the appointment of German consular and commercial representatives abroad. During the last few months, steps have been taken by the Western Powers to secure the accession of the Federal Republic to a number of international organizations, including the Organization for European Economic Co-operation. Finally, she has been invited to join the Council of Europe. The progress made has been accomplished in large measure thanks to the action and the influence of the three Allied high commissioners, in whom the three Foreign Ministers are happy again to express their full confidence.

2. The Allies are resolved to pursue their aim, laid down in the Washington agreement of April 1949, and reaffirmed at Petersberg, that Germany shall re-enter progressively the community of free peoples of Europe. When that situation has been fully reached, she would be liberated from controls to which she is still subject and accorded her sovereignty to the maximum extent compatible with the basis of the occupation regime. This regime is imposed on the Germans and on the Allies by the consequences of the division of Germany and of the international position; until this situation is modified, it must be retained in accordance with the common interests of Germany and of Europe.

The Western Powers desire to see the pace of progress towards this end as rapid as possible. Progress will depend upon the degree of confident and frank co-

operation displayed by the government and the people of the Federal Republic. In the first place, the pace will be determined by the extent to which the Allies can be satisfied that their own security is safeguarded by the development in Germany of a desire for peace and friendly association with themselves. In the second place, the pace will be set by the rate at which Germany advances toward a condition in which true democracy governs and the just liberties of the individual are assured. Therefore, the Western Powers wish to emphasize most strongly that the natural desire of the German people to secure relaxation of controls and the restoration of sovereignty of their country depends for its satisfaction only upon the efforts of the German people themselves and of their government.

They earnestly trust that the Federal Republic will fulfill in this respect the hopes placed in the wisdom of her people and her leaders. Meanwhile, the high commissioners, in exercising the powers reserved to them, continue to place their main emphasis upon essential elements of security and fundamental democratic issues of real importance.

3. In view of the continued refusal of the Soviet government to permit the inhabitants of their zone of occupation to rejoin their fellow countrymen in a democratic and united Germany, it has not been possible and will not be as long as this Soviet policy persists, to proceed to the conclusion of a treaty of peace with Germany. The ministers accordingly agreed to set up a study group in London to undertake the necessary preparatory work to enable the Occupation Statute to be re-

viewed at the appointed time and to make recommendations for eliminating the major practical inconveniences arising in the countries concerned from the state of war, on the understanding that in the present situation of Europe supreme authority must remain in the hands of the Allied Powers.

4. While retaining the framework outlined above, the Allies intend to give Germany the possibility of developing freely, while, at the same time, safeguarding the possibility of peaceful reunification of Germany, which remains the ultimate object of their policy. The three governments reaffirm the offers which were formulated during the meeting of the Council of Foreign Ministers last June, and express the hope that the necessary conditions for the establishment of a government for all Germany may be achieved which would guarantee to all Germans respect for their laws and fundamental liberties, and they have agreed upon the conditions which are necessary, in their opinion, for this purpose.

Declaration on Berlin

The three Western Occupation Powers will continue to uphold their rights in Berlin. They are resolved now as in the past to protect the democratic rights of the inhabitants and will co-operate with the German authorities to improve to the utmost the economic position of the three Western Sectors. Meanwhile, the three governments will continue to seek the reunification of the city in free elections in order that Berlin may take its due place in a free and united Germany. -END

Wuerttemberg-Baden Allotted DM 65,000,000 in ECA Funds

More than DM 65,000,000 in ECA counterpart funds has been released for allocation to public utilities, housing, food and agriculture, consumer and building and other industries throughout Wuerttemberg-Baden, it was announced by George L. Erion, chief of the Economic Affairs Division, OLC Wuerttemberg-Baden.

"Special attention is being given to refugee industries attempting to re-establish business in western Germany," Mr. Erion said while discussing ECA funds and their allocation, adding the ECA counterpart funds made available through German channels are in most cases matched with 50 percent or more of German funds.

Continuing, Mr. Erion said: "Six power projects which will increase the electrical generation output approximately 165.160 kwh, have received DM 22,000,000. Six gas generating plants and distribution stations will receive DM 2,045,000. Nine water and sewage disposal systems received DM 3,000,000. Two trolley car companies received a total of DM 765,000.

"Housing in Wuerttemberg-Baden will benefit to the extent of DM 7,400,000. These housing projects are located in 24 communities and will provide 2,185 new housing units. The housing units consist of one, two and three room apartments, the majority being three-

room apartments. They are located to be of the maximum benefit to support the industry of Wuerttemberg-Baden and are, therefore, near the larger centers of production.

"The groups receiving the next largest amount of funds are basic industries such as chemicals, electrical engineering, fine mechanics and optics, mechanical engineering and manufacture of metal products. These basic industries have received approximately DM 20,000,000. The money is being used to modernize plant equipment, buy new machinery, etc., thereby lowering the costs of production. This is a necessary undertaking on the part of German industry in order to meet world competition in prices.

"Also included in this allocation of funds is DM 8,400,000 to industrial firms such as textiles and clothing, leather goods, woodworking, paper and printing and ceramics. Of particular interest is the assistance being extended to the Gablonz industry, an association of refugee businessmen from Sudetenland, who are actively engaged in re-establishing their glass and porcelain manufacturing business in Germany. Most of this firm's production goes for export."

A sum of DM 1,500,000 has been placed in banks for loans to farmers and communities.

HICOM Law No. 27 – Reorganization of German Coal and Iron and Steel Industries

Whereas it is the policy of the Allied High Commission to decentralize the German economy for the purpose of eliminating excessive concentration of economic power and preventing the development of a war potential

And whereas the Allied High Commission had decided that the question of the eventual ownership of the coal and iron and steel industries should be left to the determination of a representative, freely-elected German government

And whereas the Allied High Commission had decided that it will not allow the restoration of a pattern of ownership in these industries which would constitute excessive concentration of economic power and will not permit the return to positions of ownership and control of those persons who have been found or may be found to have furthered the aggressive designs of the National Socialist Party

And whereas it is expedient that those industries should forthwith be reorganized with a view to the promotion of the recovery of the German economy

The Council of the Allied High Commission enacts as follows:

Article 1

Control and Seizure

1. The title to assets owned or controlled directly or indirectly by the enterprises listed or described in Schedules "A," "B," "C" and "E" of this law shall be subject to seizure by the Allied High Commission. Pending such seizure, such assets and enterprises shall be placed under the control of the Allied High Commission.

2. Any rights of seizure and powers of control over such assets and enterprises already assumed pursuant to any Occupation legislation shall continue and be exercised by the Allied High Commission.

Article 2

Enterprises Subject to Liquidation and Reorganization

1. The current liquidation proceedings in respect of the enterprises listed or described in Schedule "B" of this law shall be completed. The enterprises listed or described in Schedule "A" shall be liquidated and reorganized with a view to the elimination of excessive concentrations of economic power which constitute a threat to international peace or to the maintenance of democratic government in Germany or which unreasonably restrain trade.

2. The Allied High Commission will include any enterprise listed or described in Schedule "C" and some or all of the assets of such enterprise in the reorganization plans under this law only if:

(a) such assets are presently operated by an operating company listed in Schedule "D", or

(b) such assets have heretofore been forfeited as Nazi-owned under other provisions of law, or

(c) the owners consent to the inclusion of such enterprises or such assets in a reorganization plan under this law, or

(d) the Allied High Commission determines that the inclusion of such enterprise

or such assets in a reorganization plan hereunder is shown to be essential to accomplish the purposes of this law.

3. Each of the enterprises listed or described in Schedule "E" shall be examined by the Allied High Commission to determine whether it constitutes excessive concentration of economic power. If the Allied High Commission determines that any of them does constitute such an excessive concentration, such enterprise shall be treated for all purposes as if originally listed or described in Schedule "A." If the Allied High Commission determines that any such enterprise does not constitute an excessive concentration of economic power, such enterprise shall be treated for all purposes as if originally listed or described in Schedule "C."

4. After such consultation with such German authorities and bodies as it deems appropriate, the Allied High Commission will appoint liquidators for the enterprises listed or described in Schedule "A" of this law unless it decides that such appointment is not necessary for the purposes of liquidation. Liquidators appointed for any of the enterprises listed or described in the schedules to this law shall be responsible to the Allied High Commission and shall function as may be provided by regulation or order.

Article 3

Reorganization of the Coal Industry

1. The title to such colliery assets may be specified by or under the authority of the Allied High Commission located in the territory of the Federal Republic and owned or controlled directly or indirectly by enterprises subject to Article 1 of this law, shall be transferred to companies formed or to be formed for the purpose under German law (hereinafter referred to as unit companies). Such unit companies shall be formed by and have as shareholders such persons as may be designated or approved by the Allied High Commission after such consultation with such German authorities or bodies as the Allied High Commission may deem appropriate. The persons so designated shall be known as trustees and shall, until otherwise ordered by the Allied High Commission, hold the shares allotted to them in the respective companies in accordance with such regulations and orders as shall be issued by the Allied High Commission.

2. The organization and functions of the Deutsche Kohlenbergbau Leitung and of the Deutsche Kohle-Verkauf and its successors shall be determined by such regulations or orders as may be issued by the Allied High Commission. Subject to such regulations or orders these organizations shall exercise their functions throughout the territory of the Federal Republic.

Article 4

Reorganization of the Iron and Steel Industry

1. The Steel Trustee Association established under United States Military Government Law No. 75 and United Kingdom

Military Government Law No. 75 and Regulation No. 2 issued thereunder shall continue to exist and shall exercise the functions conferred on it by the present law or by regulations made hereunder. The Allied High Commission may remove any member of the Steel Trustee Association and appoint other members of such association.

2. Title to the assets specified in Schedule "D" may be transferred to the Steel Trustee Association as a preliminary to their transfer to companies provided for in Paragraph 3 of this article or such title may be transferred directly to such companies. The Allied High Commission may add to Schedule "D" by notice any other assets of the enterprises listed or described in Schedules "A" and "C." The shares of the companies formed or to be formed to operate the assets listed in Schedule "D," pending transfer in accordance with the provisions of Paragraph 3 hereof, shall continue to be held in trust by the Steel Trustee Association until such time as the Allied High Commission shall otherwise direct.

3. The Steel Trustee Association shall, as soon as possible, submit for the approval of the Allied High Commission plans for the reorganization of the assets specified in Paragraph 2 of this article and any other assets of the iron and steel industry within the purview of Article 1. Each such plan shall provide for the formation of one or more new companies (hereinafter referred to as unit companies) and shall specify some or all of the assets to be transferred to each of such companies. The plans may provide for the merger or amalgamation of such assets and for the absorption of assets outside the iron and steel industry but within the purview of Article 1. Each plan shall be submitted as soon as completed, without waiting for the completion of other plans.

4. On the approval of a reorganization plan for any unit company, with such modifications as the Allied High Commission may direct, the title to the assets affected shall be transferred to such unit company, which shall have as its shareholders such persons as may be designated or approved by the Allied High Commission after such consultation with such German authorities or bodies as the Allied High Commission may deem appropriate. The persons so designated or approved shall be known as trustees and shall, until otherwise ordered by the Allied High Commission, hold the shares allotted to them in the respective companies in accordance with such regulations and orders as shall be issued by the Allied High Commission.

Article 5

Treatment of Claims and Interests

Where assets are transferred to unit companies pursuant to Article 3 or Article 4 of this law, the Allied High Commission at the time of transfer or thereafter, by one or more regulations or orders:

(a) May direct that some or all of such assets shall be held by the unit companies

free and clear of some or all existing liens, charges and encumbrances.

(b) Shall specify the amount of cash, bonds, other secured or unsecured obligations, stock or other consideration which each unit company shall pay or issue in respect of the transfer, with a view to insuring to the maximum extent consistent with the objectives of this law, adequate and appropriate compensation to the claimants affected by the transfer.

(c) Shall provide for the distribution of such cash, bonds, other secured or unsecured obligations, stock or other consideration (or of the proceeds of their sale) among claimants affected by the transfer of such assets so as to attain the objectives of this law and to insure fair and equitable treatment among such claimants in accordance with their claims or interests. The validity, priority and extent of such claims and interests shall be determined with due regard to the original contractual or other rights of claimants.

(d) May provide for such protection of employees and former employees of enterprises from which such assets are so transferred in respect of pensions and other benefits incident to or resulting from their employment as the Allied High Commission may deem necessary or proper in order to avoid unfairness to such employees or former employees as a result of such transfers of assets.

(e) May provide, to the extent the Allied High Commission deems appropriate for (1) assumptions by such unit companies of indebtedness incurred after May 8, 1945, by enterprises owning or operating assets which are so transferred and (2) priorities in respect of any such indebtedness incurred, in the opinion of the Allied High Commission, for the purpose of enabling such enterprises to carry on their activities.

For the purposes of this article the term "claimants" shall include all creditors, secured or unsecured, stockholders and all other persons having claims against or interests in the assets transferred or the enterprises from which they are transferred.

Article 6

Former Reich and Prussian State Interests

The application of this law to any enterprise shall not be affected by the fact that any right or interest therein may have been held by the former Reich or Prussian State.

Article 7

Tax Provisions

1. Taxes and other duties shall not be imposed upon or in respect of:

(a) Any transfer of assets pursuant to Article 3 or Article 4 of this law.

(b) The formation of any company as provided in this law.

(c) Any other action taken in connection with reorganizations or liquidations under this law to the extent provided by regulations hereunder.

2. In computing taxes of any kind payable by the operating companies listed in Column 1 of Schedule "D" and the owning companies listed in Column 3 thereof, the taxes shall not exceed in total the aggregate amount of taxes which would have been payable if each operating company were the wholly-owned subsidiary of the owning enterprises whose assets it is operating.

3. Upon the formation of each new unit company under the provisions of Article 3 and Article 4, that unit company shall be

liable for taxes of all kinds as an independent enterprise.

4. The Steel Trustee Association shall not be subject to any taxes, public levies or any official charges or costs.

Article 8

Decontrol

Subject to such regulations or orders as may be issued by the Allied High Commission:

1. Assets transferred to unit coal companies or unit steel companies pursuant to Article 3 or Article 4 of this law shall be released from control under this law upon the completion of the disposal of the shares of such companies.

2. Assets of enterprises put into liquidation under Article 2 of this law which are not transferred to unit coal companies or unit steel companies pursuant to Article 3 or Article 4 of this law shall be released from control under this law upon the disposal of the assets in accordance with plans approved by the Allied High Commission.

3. Assets of any enterprise listed or described in Schedule "C," or its assets remaining after any transfers to unit companies under this law, shall be released from control under this law upon a determination by the Allied High Commission that all necessary transfers of assets of that enterprise to unit companies have been completed, or that no such transfers will be required in the case of that enterprise.

4. Any other assets subject to seizure and control under this law may be released from control under this law when and as directed by the Allied High Commission.

Article 9

Registration of Transfers

The appropriate German authorities shall register without attestation transfers of title made in accordance with this law upon the presentation to such authorities by or on behalf of the Allied High Commission of a certified statement of the assets to be transferred.

Article 10

Penalties

Any person violating or evading or attempting to violate or evade or procuring the violation or evasion of any provision of this law or of any regulation or order issued under this law, shall, upon conviction, be liable to a fine not exceeding DM 200,000 or to imprisonment for not more than five years, or both.

Article 11

Regulations

The Allied High Commission may issue such regulations and orders for the purpose of implementing, amplifying or supplementing any provision of this law as it shall deem necessary or proper in order to carry fully into effect the purposes of this law.

Article 12

Administrative Agencies

1. The term "Allied High Commission" as used in any provision of this law means such agency or agencies as the Council of the Allied High Commission may designate by regulation or order to carry out such provision. Any such agency shall act in accordance with such regulations or orders as may be issued by the Council of the Allied High Commission.

2. Subject to the regulations or orders of the Council the agency to administer the provisions of this law shall be:

(a) The Combined Coal Control Group in so far as they relate to or affect the German Coal Industry.

(b) The Combined Steel Group in so far as they relate to or affect the German Iron and Steel Industry.

Article 13

Board of Review

1. There is hereby established a Board of Review. The board shall consist of such number of members but not less than three as the Council of the Allied High Commission may determine. One-third of the members of the board shall be appointed by each high commissioner. Each member of the board shall be a qualified lawyer or expert who shall not be otherwise concerned with the administration of this law. The board may sit in panels of three members, one member being appointed by each high commissioner. The assignment of members to panels shall be determined by the board. The decision of a majority of the members of the board sitting in any case shall constitute the decision of the board. For the conduct of its business, the board shall adopt rules which shall be subject to review and revision by the Council of the Allied High Commission.

2. Subject to such regulations as may be issued by the Council of the Allied High Commission, the board shall have jurisdiction:

(a) To review any order issued under Paragraph (c) of Article 5 of this law on the petition of any interested person, to extent of determining whether the distribution made to such person has afforded him fair and equitable treatment in accordance with his claim or interest, as required thereunder.

(b) To hear and determine any other questions arising under this law which may be referred to it by the Allied High Commission.

3. On petitions under Sub-paragraph 2 (a) above, the board shall determine solely whether the order appealed from is supported by substantial evidence and is correct as a matter of law. The filing and pendency of a petition for review under Sub-paragraph 2 (a) shall not operate as a stay of the order appealed from except, and to the extent, that a stay may be directed by the board upon a motion for such relief. A temporary stay pending consideration of such a motion may be directed by a single member of the board. In cases arising under Sub-paragraph 2 (b) the powers and functions of the board shall be defined in the order of reference.

Article 14

Definitions

For the purpose of this law and any regulation or order issued thereunder:

(1) Colliery assets shall mean assets located on or physically connected with a colliery or economically essential to the operation thereof and include the following properties and interests of the coal-mining industry:—

(a) Coal mines and virgin and unworked coal lands.

"Coal" includes *Steinkohle*, *Pechkohle* and *Braunkohle*, together with any such other minerals as are normally mined by colliery undertakings in association with the foregoing.

"Mine" includes quarry, opencast, drift and deep mine workings and borings associated therewith.

(b) Fixed and movable property used for colliery activities and the following ancillary activities: coal carbonization, coal products, distillation processes allied with colliery activities and processes associated with briquetting plants, manufactured fuels, hydrogenation plants, synthetic plants, nitrogen and ammonia plants, plants for the provision of gas to the gas grids, brick tile and similar works and property used for the supply of water from or to a coal mine.

(c) Property used for generating and transmitting electricity consumed exclusively or mainly in the course of colliery and ancillary activities.

(d) Railways, aerial ropeways, canal waterways and other fixed and movable property used exclusively or mainly for inland or water transportation, loading, discharging, handling or storing of products of colliery and ancillary activities, or articles required for colliery or electricity activities and ancillary activities, when such equipment is used exclusively for internal transportation within the area of a colliery.

(e) Fixed and movable property of the colliery undertaking used exclusively or mainly for the purposes of the sale or supply by colliery concerns of products of colliery and ancillary activities.

(f) Fixed and movable property of the colliery undertaking used for such welfare activities as hospitals, baths, canteens or for the provision of benefits for the staff employed in colliery and ancillary activities.

(g) Patents in respect of inventions relating to processes applied in the course of colliery and ancillary activities or to production in connection with those activities and trade marks used or intended for use in relation to such production.

(h) Stocks of products of colliery and ancillary activities.

(i) Consumable or spare stores available for use for colliery and ancillary activities.

(j) Interests of colliery undertakings in dwelling-houses and land used to provide housing accommodation for the workpeople and the staff employed in colliery and ancillary activities.

(k) Interests of colliery undertakings in forests, farms, farming stock and other agricultural property, and all land owned by colliery undertakings, including land to be used for the enlargement of surface installations and similar activities.

(l) Interests of colliery undertakings in technical organizations, all organizations engaged in research for the colliery industry and ancillary activities, testing stations designed to secure safety in mines and in allied activities, and schools and institutes engaged in training for the mining and ancillary activities.

(m) Liquid assets, including accounts receivable and cash in hand which are attributable to the operation of the assets specified herein.

(n) Contracts for deliveries or other commercial agreements.

(2) "Coal carbonization and coal products distillation processes" shall mean the distillation of coal by any process and the treatment, rendering and distillation of saleable products arising from the distillation of coal.

(3) "Electricity property" shall mean power stations, transformers, transmission lines and other fixed and movable proper-

ty used in connection with the generation or transmission of electricity.

(4) "Fixed property" shall mean all buildings, works, fixtures and fixed machinery and plant and the sites thereof.

(5) "Movable property" shall mean all movable machinery and plant, wagons (cars) and other vehicles, engines, tractors, vessels, animals and movable equipment of any kind.

(6) "Undertakings" shall mean enterprises of any nature whatsoever.

Article 15

Repeals

1. United States Military Government Law No. 75 entitled "Reorganization of German Coal and Iron and Steel Industries" and United Kingdom Military Government Law No. 75 entitled "Reorganization of German Coal and Iron and Steel Industries" are hereby repealed; provided, however, that any proceedings had or instituted and any acts done under either of the said laws and any powers conferred thereunder consistent with the provisions of this law shall continue to be effective unless and until the Allied High Commission shall otherwise order.

2. Until the Allied High Commission provides otherwise, Regulations Nos. 1 and 3 issued pursuant to US/UK Military Government Laws No. 75 shall be in force throughout the territory of the Federal Republic.

3. Except as the Allied High Commission shall otherwise expressly direct, if any legislation shall be inconsistent with any provision of this law, or of any regulation or order thereunder, the provisions of this law or the regulation or order thereunder shall prevail.

Schedule "A"

1. Vereinigte Stahlwerke Aktiengesellschaft.
2. Fried. Krupp.
3. Mannesmannroehren-Werke.
4. Kloecknerwerke Aktiengesellschaft — Kloeckner & Co.
5. Hoesch Aktiengesellschaft.
6. Otto Wolff Group.
7. Gutehoffnungshuette Aktienverein fuer Bergbau und Huetttenbetrieb — Gutehoffnungshuette Oberhausen A.G.
8. Reichswerke Group.
9. Flick Group.
10. Kohlenhandelsgesellschaft "Glueckauf" Abt. Beck & Co.
11. Deutsche Kohlenhandelsgesellschaft Lueders, Meetzen & Co.
12. Kohlenkontor Weyhenmeyer & Co.
13. Kohlenwertstoff Aktiengesellschaft.

Schedule "B"

1. Rheinisch-Westfaelisches Kohlensyndikat, in Aufloesung.
2. Niedersaechsisches Kohlensyndikat G.m.b.H., in Aufloesung.
3. Rheinisches Braunkohlensyndikat G.m.b.H., in Aufloesung.
4. Westfaelische Kohlenhandelsgesellschaft Gastrocs & Co., in Aufloesung.
5. Kohlenhandelsgesellschaft "Hansa" Kallmeier & Co., in Aufloesung.
6. Kohlenhandelsgesellschaft "Mark" Siepmann, Schrader & Co., in Aufloesung.
7. Westfaelisches Kohlenkontor Naht, Emschermann & Co., in Aufloesung.
8. Kohlenhandelsgesellschaft "Niederrhein" Meyer, Franke & Co., in Aufloesung.
9. Kohlenhandelsgesellschaft "Westfalia" Wieserbrand, Schulte & Co., in Aufloesung.

10. Westfaelische Kohlenverkaufsgesellschaft Vollrath, Weck & Co., in Aufloesung.

Schedule "C"

1. Vereinigte Elektrizitaets- und Bergwerks A.G.
2. Rheinisch-Westfaelisches Elektrizitaetswerk A.G.
3. Vereinigte Elektrizitaetswerke Westfalen A.G.
4. Vereinigte Industrie-Unternehmungen A.G.
5. Gewerkschaft des Steinkohlenbergwerks Alter Hellweg.
6. Gewerkschaft Aurora Steinkohlenbergwerk.
7. Gewerkschaft Cleverbank Steinkohlenbergwerk.
8. Concordia Bergbau Aktiengesellschaft.
9. Deutsche Erdoel - Aktiengesellschaft Zechen Graf Bismarck und Koenigsgrube.
10. Gewerkschaft Elisabethenglueck.
11. Vereinigte Gideon Bergwerks G.m.b.H.
12. Gewerkschaft Hammerbank unter der Stollensohle.
13. Gewerkschaft Hausbach.
14. Gewerkschaft Zeche Heinrich.
15. IG Farben Industrie Aktiengesellschaft in Aufloesung.
16. Gewerkschaft Jupiter Steinkohlenbergwerk.
17. Gewerkschaft Vereinigte Klosterbusch.
18. Gewerkschaft des Steinkohlenbergwerks Langenbrahm.
19. Bergbau Aktiengesellschaft Lothringen.
20. Mansfeld A.G. fuer Bergbau und Huetttenbetrieb Zeche Mansfeld.
21. Gewerkschaft Neumuehl.
22. Gewerkschaft des Braunkohlenbergwerks Neurath.
23. Gewerkschaft Neuruhrt.
24. Niederrheinische Bergwerks - Aktiengesellschaft.
25. Gewerkschaft Petrus Segen.
26. Gewerkschaft Plaetzgesbank.
27. Gewerkschaft des Braunkohlenbergwerks Prinzessin Victoria.
28. Rheinische Stahlwerke.
29. Gewerkschaft Rheinland.
30. Gewerkschaft Steinkohlenbergwerk Rheinpreussen.
31. Gewerkschaft Roderburg, Zeche Neuwulfingsburg.
32. Victor Rolff Kommanditgesellschaft.
33. Gebr. Stumm G.m.b.H., Zeche Minister Achenbach.
34. Vereinigungsgesellschaft Rheinischer Braunkohlenwerke m.b.H.
35. Wilhelm Werhahn Abteilung Horremer Brikettfabrik.
36. Gewerkschaft Westfalen.
37. Gewerkschaft Wohlverwahrt.
38. Stahlwerke Roechling - Buderus A.G. Wetzlar.
39. Aktiengesellschaft Buderus'sche Eisenwerke Wetzlar.
40. Braunkohlen und Brikett Industrie A.G. BUBIAC.
41. Mining Concessions "Rees"; "an den Borkenbergen" und "Muensterland."
42. Preussen A.G., Muelheim.

(For Schedule "D," see next page)

Schedule "E"

1. Ilseder Huette.
2. Thyssen-Bornemisza Group.
3. Stinnes Group.

Schedule "D"

(Col. 1)	(Col. 2)	(Col. 3)	(Col. 1)	(Col. 2)	(Col. 3)
Assets operated under Plant Usage Contracts by the Companies named hereunder:—	Date of Plant Usage Contract	Name of Company by whom or by whose subsidiaries the assets are owned	Assets operated under Plant Usage Contracts by the Companies named hereunder:—	Date of Plant Usage Contract	Name of Company by whom or by whose subsidiaries the assets are owned
1. Huetttenwerk Oberhausen A.G., Oberhausen	May 4, 1948	Gutehoffnungshuette Oberhausen A.G.	13. Huetttenwerk Ilsede-Peine A.G., Peine	June 15, 1948	Ilseder Huette
2. Huetttenwerk Hoerde A.G., Dortmund-Hoerde	May 5, 1948	Vereinigte Stahlwerke A.G.	14. Eisenerzbergbau Ilsede A.G., Grossbuelten	June 15, 1948	Ilseder Huette
3. Stahlwerke Bochum A.G., Bochum	March 12, 1948	Otto Wolff	15. Huetttenwerk Huckingen A.G., Huckingen	May 11, 1948	Mannesmann-roehren-Werke
4. Hagen Westf.	March 12, 1948	Kloeckner-Werke A.G.	16. Westfalenuette-Dortmund A.G., Dortmund	April 17, 1948	Hoesch A.G.
5. Gusstahlwerk Witten A.G., Witten	May 5, 1948	Vereinigte Stahlwerke A.G.	17. Huetttenwerk Rheinhausen A.G., Rheinhausen	April 17, 1948	Fried. Krupp
6. Gusstahlwerk Gelsenkirchen A.G., Gelsenkirchen	March 12, 1948	Vereinigte Stahlwerke A.G.	18. Stahl und Walzwerke Grossebaum A.G., Duisburg-Grossebaum	April 1, 1948	Mannesmann-roehren-Werke
7. Gusstahlwerk Oberkassel A.G., Duesseldorf	March 12, 1948	Vereinigte Stahlwerke A.G.	19. Stahlwerk Osnabrueck A.G., Osnabrueck	March 12, 1948	Kloeckner-Werke A.G.
8. Georgsmarienuette A.G., Georgsmarienuette	March 12, 1948	Kloeckner-Werke A.G.	20. Eisenwerke Gelsenkirchen A.G., Gelsenkirchen	March 12, 1948	Vereinigte Stahlwerke A.G.
9. Huetttenwerke Ruhrort-Meiderich Duisburg-Ruhrort	July 6, 1948	Vereinigte Stahlwerke A.G.	21. Eisenwerke Muelheim-Meiderich A.G., Muelheim-Ruhr	April 17, 1948	Vereinigte Stahlwerke A.G.
10. Huetttenwerk Geisweid A.G., Geisweid	April 2, 1948	Vereinigte Stahlwerke A.G. und Kloeckner-Werke A.G.	22. Rheinische Roehrenwerke A.G., Muelheim-Ruhr	May 4, 1948	Vereinigte Stahlwerke A.G.
11. Stahlwerk Hagen A.G., Hagen/Westf.	April 1, 1948	Hoesch A.G.	23. Westdeutsche Mannesmann-roehren A.G., Duesseldorf	May 4, 1948	Mannesmann-roehren-Werke
12. Stahl- und Roehrenwerk Reisholz A.G., Duesseldorf-Reisholz	March 12, 1948	Press- und Walzwerk A.G. und Aktiengesellschaft Oberbilker Stahlwerk (Thyssen-Bornemisza)	24. Huetttenwerk Niederrhein A.G., Duisburg	May 19, 1948	Vereinigte Stahlwerke A.G.

Resident Officers Study British Reorientation Techniques

County-level reorientation techniques in use in the British Zone of occupation were studied by seven American resident officers and field operations officials during a recent two-day British resident officers' conference in Wahnerheide.

The seven, representing all four states in the US Zone, attended the meeting "to study firsthand the problems and methods of operation" used by British Zone resident officers. Representing Hesse were Samuel Combs, director of the OLCB Field Operations Division, and Raymond Didlo, resident officer in Giessen. Bavaria was repre-

sented by William H. Moran, deputy director, OLCB Field Operations Division, and Francis C. Lindaman, county representative in Coburg; Wuerttemberg-Baden by W. T. Neel and Harry D. Brockman, resident officers in Heidelberg and Boeblingen; and Bremen by E. E. Merone, Bremerhaven.

After the conference, American resident officers visited the US Element in the headquarters of the Allied High Commission at the Petersberg, and were briefed on the operations of the High Commission and the German federal government.

Official Communiqués

Laws and Regulations

Meeting of HICOM May 16

The 28th meeting of the Council of the Allied High Commission was held May 16 at the Petersberg, near Bonn. Present were Mr. John J. McCloy, United States High Commissioner (chairman); Mr. Andre Francois-Poncet, French High Commissioner, and Sir Brian Robertson, United Kingdom High Commissioner.

The Council:

(1) Approved Regulation No. 1 under Allied High Commission Law No. 5 (press, radio, information and entertainment) to implement Article 5 of the law which requires copies of publications and other information and entertainment media produced in the federal territory to be filed as the Allied High Commission may direct. This regulation requires that delivery of one copy of every newspaper, periodical, book or pamphlet published in or imported into the federal territory shall be made to an agency designated by the Allied High Commission. The regulation also requires producers of radio scripts to retain copies of their programs for a three-month period after their transmission and gives to the agency designated by the High Commission the right to see any motion picture film. (For text, see "Laws and Regulations.")

(2) Approved Regulation No. 2 under Allied High Commission Law No. 5 (press, radio, information and entertainment) to implement Article 2, Paragraph 3 of the law which provides the right of appeal against decisions taken under this law. The regulation establishes a board of appeal to hear and determine these appeals. The council directed that its general committee would constitute this board of appeal. (For text, see "Laws and Regulations.")

(3) Signed an Allied High Commission law depriving of effect in the state of Wuerttemberg-Hohenzollern the provisions of Control Council Law No. 22 on works councils. This new law allows the state of Wuerttemberg-Hohenzollern legislation on works councils to go into effect.

(4) Decided, in the light of assurances and explanations given by the federal government, to withdraw its provisional disapproval of the federal civil service law (Federal Law on the Provisional Adjustment of the Legal Status of Persons Employed in the Federal Service). A statement of the Council's views was to be published May 17. (For text, see "Statements and Speeches.")

(5) Agreed, after discussing the matter with the federal chancellor, that the federal law regulating gasoline prices would be the subject of further discussions between the federal minister of economics and the economic advisers of the Allied High Commission. In agreement with the federal chancellor, it was decided that the effective date of the law would be postponed pending completion of the discussions.

The Allied High Commission law for the reorganization of the German coal and iron and steel industries will be

promulgated forthwith in the Official Gazette of the Allied High Commission. The text of this law was to be communicated to the press at a conference at the Petersberg on May 17. (For text, see "Laws and Regulations.")

Next meeting of the Council will be held at the Petersberg on May 31.

HICOM Meeting May 31

The 29th meeting of the Council of the Allied High Commission was held May 31 at the Petersberg, near Bonn. Present were Mr. John J. McCloy, United States High Commissioner (chairman); Mr. Andre Francois-Poncet, French High Commissioner; and Sir Brian Robertson, United Kingdom High Commissioner.

The Council:

1. Agreed in principle to a procedure for a progressive relaxation of restrictions which have existed since the end of the war on foreign investments and on the use of blocked foreign assets in Germany. Financial advisers of the High Commissioners will exchange views with representatives of the Federal Government on the procedure to be adopted.

2. Approved proposals, which have been made by German technical experts and have been studied by the Military Security Board, for the conversion of the Fischer-Tropsch plant at Krupp Treibstoffwerke, Wanne-Eickel, to the "exyl" process for the production of high-grade alcohols. The Council deferred its decision on German proposals for conversion of the Fischer-Tropsch plant at Chemische Werke Essener Steinkohle, Bergkamen, to permit further consideration of a proposed new process.

3. Signed an Allied High Commission law depriving of effect in Schleswig-Holstein the provisions of Control Council Law No. 22 (Works Councils). This new law allows Land Schleswig-Holstein legislation on works councils to become effective. (For text, see "Laws and Regulations.")

4. Signed Amendment No. 1 to Law No. 13 on judicial powers in the reserved fields. Article 1 of this amendment gives a High Commissioner the right to validate retroactively any judicial or extra-judicial act taken in his zone in contravention of Article V or VI of Military Government Law No. 2, which deals with limitations placed by the Occupation Authorities on the jurisdiction of the German courts. Article 2 of the amendment provides that periods during which neither occupation courts nor German courts could have exercised jurisdiction will not be included in calculating the time period under existing statutes of limits. (For text, see "Laws and Regulations.")

5. Signed a law suspending Military Government Law No. 15 until Dec. 31, 1950, in so far as it applies to federal officials covered by the provisional civil service law (*vorlaeufiges Beamtengesetz*) of the Federal Republic. (For text, see "Laws and Regulations.")

HICOM Regulation No. 1 under Law 5 (Press, Radio, Information and Entertainment)

The Council of the Allied High Commission issues the following regulation:

Article 1

One copy of each edition (original or revised) of every newspaper, periodical, book or pamphlet published in the territory of the Federal Republic shall forthwith be delivered by the publisher to the agency designated by the state commissioner of the state in which the publication originates.

Article 2

The Allied High Commission may require the importer or distributor of any newspaper, periodical, book or pamphlet imported into or distributed within the territory of the Federal Republic to deliver a copy of such publication to its designated agency.

Article 3

Persons responsible for the transmission of radio programs, scripts, and recordings of a political or informational character shall preserve them at a place of transmission in the territory of the Federal Republic for a period of three months from the time of transmission. The Allied High Commission may require such persons to deliver such programs, scripts and recordings to its designated agency or to arrange for such recordings to be heard by such agency.

Article 4

The Allied High Commission may require exhibitors and distributors of motion picture films to exhibit such films or to make them available for exhibition to its designated agency.

HICOM Regulation No. 2 under Allied High Commission Law No. 5 (Press, Radio, Information and Entertainment)

The Council of the Allied High Commission issues the following regulation:

Article 1

There is hereby established a board of appeal (hereinafter referred to as "the board") charged with the duty of hearing and determining appeals under Paragraph 3 of Article 2 of Allied High Commission Law No. 5.

Article 2

The board shall consist of three members, one of whom shall be appointed by each high commissioner.

Article 3

Within 15 days following the date of service of the order of prohibition upon the enterprise or person affected thereby, such enterprise or person may appeal from the order by filing with the Allied General Secretariat a written notice of appeal. Within 30 days following the date of service of the order the appellant shall file with the Allied General Secretariat a statement of the grounds of appeal.

Article 4

The Allied General Secretariat shall forward the notice of appeal and the statement of the grounds of appeal to the

board. Within five days after the receipt by the board of the statements of grounds of appeal, the board shall notify the appellant of a time and place for hearing of the appeal.

Article 5

At the hearing of the appeal the appellant may produce witnesses and evidence in support of the appeal. The board may hear other witnesses and require investigations if it deems it necessary.

Article 6

The board may by unanimous decision confirm, extend, reduce or modify the terms of the order appealed from. In the event of lack of unanimity the order appealed from shall stand.

Article 7

The board shall communicate its decisions to the Allied General Secretariat which shall notify the appellant thereof within three days of the receipt of such communication.

Amendment No. 1 to Law No. 13 Judicial Powers in the Reserved Fields

The Council of the Allied High Commission enacts as follows:

Article 1

Paragraph 2 of Article 4 of Law No. 13 is hereby amended to read as follows:

"2. A High Commissioner may validate retroactively any judicial or extra-judicial act taken in his zone in contravention of the provisions of Article V or VI of Military Government Law No. 2 or of Ordinance No. 173 of the French Commander-in-Chief in Germany."

Article 2

Article 10 of Law No. 13 is hereby amended to read as follows:

"In every case, both criminal and non-criminal, the period during which the German courts have been deprived of jurisdiction pursuant to any legislation of the Occupation Authorities or of any authority to which they have succeeded, shall not be included in calculating any legal time limit unless during such period an occupation court was competent to dispose of such case."

Article 3

This law shall be deemed to be effective as of January 1, 1950.

Law on Suspension of Certain Provisions of Military Government Legislation on Bizonal Public Servants.

The Council of the Allied High Commission enacts as follows:

Article 1

The provisions of United States Military Government Law No. 15, and British Military Government Law No. 15, are hereby suspended in the territory of the Federal Republic until Dec. 31, 1950, to the extent to which they apply to federal officials covered by the provisions of the provisional civil service law (*vorläufiges Beamtengesetz*) of the Federal Republic.

Article 2

This law shall become effective on the date of its publication.

Law Depriving of Effect the Provisions of Control Council Law No. 22 (Works Councils) in Land Schleswig-Holstein.

The Council of the Allied High Commission enacted as follows May 31, 1950:

Article 1

The provisions of Control Council Law No. 22, "Works Councils," are hereby deprived of effect in the territory of Land Schleswig-Holstein.

Article 2

This law shall become effective on the date of its publication.

Statements and Speeches

High Commissioners Transmit Plan on German Unity to Soviet Commander-in-Chief

The British and French High Commissioners in Germany each transmitted on May 26, to General of the Army V. I. Chuikov, Soviet Commander-in-Chief, and chairman of the Soviet Control Commission in Germany, a letter proposing steps to bring about the political and economic unity of Germany and expressing their willingness to share with the Soviet commander-in-chief responsibility for framing an electoral law under which elections for an all-German government could be held.

The letters were taken to the headquarters of General Chuikov at Karlshorst, Berlin, by couriers of the Allied High Commissioners.

The identical text of the letters follows: Dear General Chuikov:

Throughout the five-year period during which our two governments have participated in the occupation of Germany, repeated efforts have been made to effect the political and economic unity of the country. The matter was recently reviewed again by the foreign ministers of the United Kingdom, France and the United States at London. Their conclusions on the matter of German unification and the manner in which it might be accomplished are attached. This document has been transmitted to the Chancellor of the German Federal Republic.

You will note that the ministers agreed that the formation of an all-German government on the basis of the principles set forth in their statement would prepare the way for a peace settlement with Germany. In this connection you will also have noted that in the public communique released by the ministers on May 14, it was stated that the Western Powers did not contemplate the conclusion of a separate peace treaty with the Federal Republic. One consideration in the formulation of this conclusion was that the Western Powers believe that a separate peace treaty with one or more zones of occupation connotes acceptance of a concept of a more permanent partition of Germany. The Western Powers do not wish to associate themselves with any such concept.

You will also note that the ministers endorsed the resolution of the Federal Republic under date of March 22, which invited all-German elections to a national constituent assembly under conditions found to be acceptable to my government.

A copy of the text of this resolution is attached and I direct your attention especially to Paragraph 1 thereof, which suggests that the four Occupation Powers should assume the responsibility of framing an electoral law under which all-German elections might be conducted.

My government would be prepared for me to share in the responsibility of framing an electoral law under which all-German elections, pointing toward the formation of an all-German government in conformity with the principles set forth in the attached statement of the foreign ministers, could be held.

Should your government declare its acceptance of these principles and be willing for you to share such responsibility, it is the belief of my government that any discussions on the subject should be conducted on the following basis:

1. Conversations would initially be undertaken at the level of the four commissioners for the limited purpose of drafting an electoral law to implement the Federal Republic's proposal of free all-German elections for a national constituent assembly. The proposal to limit discussions to the framing of an electoral law proceeds from a belief that it is unrealistic to discuss or arrange the desired peace settlement until it is established that a unified German government, freely elected, can be brought into being.

2. If agreement is reached on an electoral law, the way would be clear for the drafting by the elected representatives of the German people of a constitution for all Germany, within the framework of the principles set forth in the attached statement of the foreign ministers, and for the emergence of an all-German government.

3. A basis would thus be laid for the establishment of a four-power commission which should exercise its reserved powers in such a way as to permit the German government to function effectively.

I would welcome your views on this subject.

In view of the vital interest of the German people in the unification of their country, I feel it appropriate to make a copy of this letter available to the press and will do so after it has reached you.

Text of Statement by Foreign Ministers on Unification of Germany

Following is the text of a statement of the foreign ministers of the United Kingdom, France and the United States on the unification of Germany, which was appended to the letters of the High Commissioners to the Soviet Commander-in-Chief:

"In reaffirming the determination of their governments to work together, in co-operation with the German Federal Government and all like-minded powers, for the unification of Germany, the three foreign ministers agreed that German unity should be achieved on the basis of the following principles:

(a) A freely-elected all-German government.

(b) Individual freedom of movement, freedom from arbitrary arrest and detention, freedom of association and assembly, freedom of speech, press and radio throughout Germany.

(c) Freedom of action throughout Germany for all democratic political parties.

(d) Independence of the judiciary.

(e) Prohibition throughout Germany of political secret police and police formations constituting a military force.

(f) Assurance of German economic unity through action by a German government on matters such as a unified currency and customs, and thorough quadripartite agreement on matters such as cessation of reparations from current production, and prohibited and limited industries.

(g) Surrender and disposal, in accordance with appropriate German legislation, of any industrial enterprise in Germany whose ownership or control was acquired after May 8, 1945, by or on behalf of any foreign power, unless such acquisition has quadripartite approval and the interest so approved is subjected to German law.

(h) Establishment of quadripartite supervision through a four-power commission, exercising its reserve powers in such a way as to permit the German government to function effectively.

The foreign ministers further agreed that the first step toward the restoration of German unity should be the holding throughout Germany of free elections to a constituent assembly. They accordingly welcome and endorse the resolution of the German Federal Republic of March 22, 1950, inviting free all-German elections for a national assembly empowered to frame an all-German constitution. These elections should be held under international supervision and on the basis of an electoral law to be agreed between the four Occupying Powers which would take into account the principles set forth above. The constituent assembly when elected should have the sole task of drafting a constitution for submission to the German people for ratification.

Finally, the ministers agreed that with the formation of an all-German government on the basis of the foregoing principles, the four powers should immediately address themselves to a peace settlement."

Principles on Freedom to Engage in Trade

The Allied High Commission has directed its state commissioners to inform German state ministers president of principles it has formulated concerning freedom to engage in a trade, business or profession in Germany.

The principles were defined by the High Commission as a result of its scrutiny of a series of state laws which have affected the freedom of individuals to engage in occupations of their choice.

In letters sent by state commissioners to ministers president, state governments are invited to examine and endorse these principles. Their embodiment in state laws and ordinances is regarded by the High Commission as "a most desirable objective."

Following are texts of the letter to Ministers President, and of the statement of principles:

Text of Letter to Ministers President

"As you are aware the Allied High Commission has been concerned with a series of laws passed by the *Laender* (states) affecting the freedom of individuals to engage in occupations of their choice. Some of these laws are not of great

significance in and by themselves but together they illustrate, in the view of the Allied High Commission, a tendency to restrict individual freedom to a greater extent than is necessary in the interests of public health, safety and welfare.

The freedom of individuals to engage in occupations of their choice is deeply embedded in the liberal-democratic tradition of Germany. This basic concept of freedom of occupation was repudiated by the National Socialist government. It has, however, been reaffirmed in Article 12 of the Basic Law of the Federal Republic.

Paragraph 1 of this article provides, *inter alia*, that the practice of an occupation may be regulated by legislation. The Allied High Commission regards it as desirable that this provision should be applied only in so far as is necessary to insure public health, safety and welfare, and in accordance with certain general principles uniformly applicable in all *Laender*. Attached hereto is a statement of such principles which the Allied High Commission has formulated. I invite the government of your *Land* to examine and endorse these principles, the embodiment of which in any laws or ordinances in your *Land* the High Commission regards as a most desirable objective.

The Allied High Commission has recommended these principles to the Federal Government with a similar invitation, and has recommended that it should ascertain and take into account the views thereon of representatives of employers and labor, and of the refugees.

I earnestly recommend these principles to your attention and invite you to adopt them as a guide to your government in legislating on this subject."

Statement of Principles regarding Freedom to Engage in a Trade, Business or Profession

The Allied High Commission adopts the principles hereinafter set forth on the right of any person to engage in any trade, business or profession.

1. In general, the right of any person to engage in any trade, business or profession should not be restricted by legislation or governmental regulation except as herein-after provided.

2. The right of any person to engage in any trade, business or profession may be regulated by legislation to the extent that is reasonably necessary in order to protect the public health, safety or welfare and to maintain professional standards of competence for the protection of the public health, safety or welfare. There is appended hereto as an appendix a tentative list which should not necessarily be regarded as exhaustive of categories of trades, businesses and professions which are deemed to come within the terms of this paragraph.

3. Legislation referred to in Paragraph 2 should not restrict the right of any person to engage in any trade, business or profession except for reasons of public health, safety and welfare. Such legislation should not restrict the right of any person to engage in any trade, business or profession by reason of the lack of available materials or supplies therefor, the financial condition or individual responsibility of such person, or the economic need for the business which he proposes to establish.

4. An examination should not be required as a condition of obtaining permission to

engage in any trade, business or profession except where such an examination is necessary to maintain professional and technical standards of competence in the interests of public health, safety or welfare. Such examination should be directed solely to establishing such professional or technical competence of the candidate and should be conducted by a body empowered by the legislature and acting under adequate legal safeguards prescribed by the legislature to prevent use of such examination to exclude a candidate from any trade, business or profession for reasons other than lack of professional or technical competence.

5. The right of any person lawfully engaging in any trade, business or profession to apprentice employees or to train apprentices should not be restricted except for reasons of public health, safety or welfare.

6. No person or organization should exercise power to restrict or regulate the right to engage in a trade, business or profession unless the person or organization is appointed as an agent of a minister of the government, is answerable through him to the legislature, and acts under adequate legal safeguards to prevent abuse of such power.

Categories of trades, businesses and professions which may be regulated by legislation to the extent reasonably necessary to protect the public health, safety and welfare and to maintain professional standards of competence for that purpose:

- (1) Amateur radio operators.
- (2) Architects.
- (3) Attorneys-at-law.
- (4) Blasters.
- (5) Chiroprodists.
- (6) Chiropractors.
- (7) Consulting engineers.
- (8) Dentists, oral surgeons and dental hygienists.
- (9) Embalmers.
- (10) Installers and repairers of plumbing, heating and air-conditioning equipment, and electric and gas facilities (where such persons offer their services to the public).
- (11) Marine engineers and pilots.
- (12) Midwives.
- (13) Notaries public.
- (14) Nurses (including registered and visiting health nurses).
- (15) Operators of high pressure steam boilers (pressure more than 15 pounds per square inch).
- (16) Operators of motor vehicles, marine vessels and power-driven vehicles.
- (17) Optometrists and opticians.
- (18) Osteopaths.
- (19) Practitioners engaged in diagnosing or treating physical or mental ailments, including but not limited to physicians, surgeons, pathologists, neurologists, psychiatrists, psychologists, oculists, physiotherapists and hydrotherapists.
- (20) Pharmacists and apothecaries.
- (21) Public auditors and accountants.
- (22) Ships' officers.
- (23) Surveyors.
- (24) Veterinarians.

German Banking

The following statement was issued June 1 by the Office of the US High Commissioner for Germany:

It has been observed with satisfaction abroad that the currency reform has placed

the German monetary and finance system on a sound basis. The new German central banking system, which is integrated with the *Laender* (states) and which on account of its dependent attitude has gained much respect at home and abroad, played an important part in this.

In the field of private banking, organization along *Laender* lines has not yet been completely concluded. The greatest need is that the successor institutions of former large banks should receive clear-cut legal and economic independence. Liquidation of the past will have advantages not only for the banks; it is also indispensable for the prevention of monopolies in the field of finance and for the safeguarding of the democratic structure of the Federal Republic.

This does not mean that the banks will be restricted in their activities. Now, as before, they will be able to conclude major credit transactions, even on an inter-*Land* (state) level. In this way they will be able to perform a valuable service in supplying the German economy with new capital, from abroad as well.

For such activities the banks need not have an extensive system of branches, especially since in Germany the central banking organization already has such a net of branch offices at its disposal. For this reason, limiting the branch offices of a bank to the area of a *Land* does not lessen the effectiveness of the bank's operations. In the event that objections against this are raised because some of the *Laender* as economic areas are not strong enough, then as a US high authority has already stated, the enlargement of a few banking districts could profitably be considered.

In accordance with a German proposal, this could be realized by the merger of several *Laender* into a single banking district with a central bank as head organization. In this way, the competence of the *Laender* with regard to banking policy which forms the foundation of the Federal Republic would, in principle, be guaranteed.

Agreements concluded among the *Laender* for that purpose would find the support of the US.

Alleged Boundary Agreement

The United States High Commissioner for Germany June 7 issued the following statement:

"My attention has been called to the *ADN* report on an alleged agreement between Poland and the East German administration regarding the Oder-Neisse boundary. The American position on this subject is well-known. Secretary Byrnes in Stuttgart in 1946 and Secretary Marshall at the Moscow Conference in 1947 both stated that the question of Germany's eastern boundary is one to be settled in the peace treaty with Germany. This was also the position of the three powers at Potsdam. Article 8 of the Potsdam Agreement specifically provides that the final delimitation of the western frontier of Poland should await the peace settlement.

"This is not a matter that can be settled unilaterally or bilaterally. It cannot be settled for Germany by representatives of a regime that has no real support among the German people. The US Government has not, therefore, recognized the Oder-Neisse boundary nor the incorporation into the Polish State of those German territories placed under Polish administration at Potsdam."

Armed Forces Day Broadcast

Following is the text of an address by John J. McCloy, US High Commissioner for Germany, broadcast May 20 over the *American Forces and Blue Danube* networks:

Observance of the first Armed Forces Day is particularly significant at this time. It marks the unification of our military and naval strength in a year of such disquiet that nations whose only objective is peace must guarantee that peace with strength.

As the assistant secretary of war during the war years I saw the development of our armed might and the meaning it had for the establishment of liberty and freedom. I witnessed the mobilization of our manpower and our vast economic resources into a mighty war machine which liberated so many people from oppression.

Today on Armed Forces Day, we know that our armed forces are still the bulwark of freedom. Here in Germany, particularly, we know it is the strength and determination of those forces that is the best guarantee of peace inside Germany. We also know that the presence of our armed forces in Germany and the potential strength of our armed might give pause to any nation which would seek to force its oppression on an unwilling people.

The aim of our government and of our people is to live and act in peace with the other nations of the world. This we do while others abuse the word as a propaganda cloak for world conquest. But while we seek only peace we must provide safeguards for the freedoms we cherish. These freedoms must and will be protected and we are justly proud of our Armed Forces, which have provided this protection for us in the past. We are also proud that these same armed forces are protecting these freedoms not only for ourselves but for other nations who wish to live in freedom and at peace with one another.

West German Police Force

In reply to inquiries concerning reports that the Western Powers are considering a proposal to create a control police force in western Germany, a spokesman of the Office of the US High Commissioner June 3 said that the Allied High Commission was giving consideration to the proposal and studies were being made of the entire police situation in western Germany.

The spokesman stated that in the event that a small federal police force were to be established, it would be neither a military nor a para-military organization.

Meanwhile the following statement was issued from the Office of the United Kingdom High Commissioner regarding press reports concerning the formation of a German federal police force:

"When the military governors gave their approval to the Basic Law they sanctioned the establishment by the Federal Government of an agency to collect and disseminate information concerning subversive activities directed against the Federal Government. They further said that if the Federal Government should wish to propose other federal law enforcement or police agencies, it should submit its proposals for approval. It is correct that the Federal Government has felt some concern about its own prestige and security, and has made representations to the High Commissioners regarding the

necessity of a federal police force. The High Commissioners have referred the matter to their governments.

"The United Kingdom High Commissioner is as yet without instructions regarding the result of the consideration of this question between governments."

German Athletic Federation

In a letter to the federal chancellor made public May 24, the Allied High Commission, replying to an inquiry regarding the proposed formation of an athletic federation for the Federal Republic which could co-ordinate German athletic events and German participation in international sports events, including the Olympic Games, stated:

"The Council of the Allied High Commission wishes to inform you that, while it has no objection to the holding of a demonstration in Frankfurt on May 28, it cannot agree that this occasion should be utilized to establish a national gymnastic organization under the name *Deutscher Turner Bund* in view of its historical association with German nationalistic movements and of the effects the formation of such a body would have on public opinion abroad.

"The Allied High Commission also wishes to inform you that it has no desire to prevent the formation of an athletic federation for the Federal Republic under some other name which could co-ordinate preparations for German athletic events, German participation in the Olympic Games and other international sport events. However, the Allied High Commission in view of doubts as to certain of the characteristics described in the proposed statutes and in your letter and memo of May 16, 1950, would wish to have the opportunity to review the statutes of such a federation."

Accredited Mission Heads

The following heads of missions have been accredited to the Allied High Commission to date:

Head of Mission	Country
Lt. Gen Maurice A. Pope, CB, MC	Canada
Mr. Albert Wehrer, Minister Plenipotentiary	Luxembourg
Mr. Khub Chand, Minister Plenipotentiary	India
Mr. Christos Diamantopoulos, Minister Plenipotentiary	Greece
Maj. Gen. W. Eh. E. Poole, CB, CBE, DSO	South Africa
Vice Admiral J. M. de Booy	Netherlands
Mr. Frants Hvass, Minister Plenipotentiary	Denmark
Mr. Louis Scheyven, Minister Plenipotentiary	Belgium
Mr. Mario de Pimental Brandao, Ambassador	Brazil
Mr. Noel St. Clair Deschamps, Minister Plenipotentiary	Australia
Mr. Francesco Babuscio Rizzo, Minister Plenipotentiary	Italy
Mr. Albert Huber, Minister Plenipotentiary	Switzerland
Mr. Eduardo Garcia Comin, Minister Plenipotentiary	Spain
Mr. Abdollah Entezam, Minister Plenipotentiary	Iran
Mr. Nizamettin Ayasli, Minister Plenipotentiary	Turkey
Mr. Ragnar Kumlind, Minister Plenipotentiary	Sweden

Regulations, Directives, Publications, Documents

Twenty-first Report for the Public Advisory Board, ECA (Washington), March 24, 1950.

Your Community: County and State, TI & E Bulletin, Vol. 5, No. 16, TI & E Office, April 16, 1950.

Know Your Neighbor: The Midwest, TI & E Bulletin, Vol. 5, No. 17, TI & E Office, April 23, 1950.

Twenty-second Report for the Public Advisory Board, ECA (Washington), Apr. 26, 1950.

Communism in the United States, TI & E Bulletin, Vol. 5, No. 18, TI & E Office, April 30, 1950.

The Year of Deliverance, 1949 Annual Report, The American Jewish Joint Distribution Committee, Vol. 9, No. 2, April 1950.

Der Außenhandel der Bundesrepublik Deutschland, Teil 1, zusammenfassende Uebersichten (The Foreign Trade of the German Federal Republic, Part 1, Comprehensive Surveys), Bizonal Statistical Office, Wiesbaden, April 1950.

Your National Government, TI & E Bulletin, Vol. 5, No. 19, TI & E Office, May 7, 1950.

German Economic Press Review, Series II, No. 19, OEA CCG (BE), May 11, 1950.

Weekly Publication Analysis, No. 222, ISD HICOG (Bad Nauheim), May 11, 1950.

New Regulation for German Shipping and Shipbuilding, Press Release No. 126, Allied HICOM, May 12, 1950.

Weekly Publication Analysis, No. 223, ISD HICOG (Bad Nauheim), May 18, 1950.

German Economic Press Review, Series II, No. 20, OEA CCG (BE), May 20, 1950.

Official Gazette, No. 20, Allied Secretariat, HICOM, May 20, 1950.

Weekly Publication Analysis, No. 224, ISD HICOG (Bad Nauheim), May 25, 1950.

German Economic Press Review, Series II, No. 21, OEA CCG (BE), May 30, 1950.

Industry Highlights Report, No. 32, PRD HICOG, May 31, 1950.

Law Depriving of Effect the Provisions of Control Council Law No. 22 (Works Councils) in Land Schleswig-Holstein, Press Release No. 147, Allied HICOM, May 31, 1950.

Copies of Instructions listed in the Information Bulletin may be obtained by writing directly to the originating headquarters.

Amendment No. 1 to Law No. 13 — Judicial Powers in the Reserved Fields, Press Release No. 148, Allied HICOM, May 31, 1950.

Allied High Commission Law on Suspension of Certain Provisions of Military Government Legislation on Bizonal Public Servants, Press Release No. 149, Allied HICOM, May 31, 1950.

Weekly Publication Analysis, No. 225, ISD HICOG (Bad Nauheim), June 1, 1950.

Daily Press Review and Radio Survey, Nos. 95 to 117, ISD HICOG (Bad Nauheim), May 9 to June 9, 1950.

Neue Auslese (in German), June 1950, POB HICOG (Munich), June 2, 1950.

Control of Certain Articles, Products, Installations and Equipment — Regulation No. 8 (Chemical Articles, Products, Installations and Equipment) under Law No. 24, Allied HICOM, June 5, 1950.

Control of Certain Articles, Products, Installations and Equipment — Regulation No. 9 (Fine Mechanics, Optics and Electronics other than Electronic Valves (Tubes) under Law No. 24, Allied HICOM, June 5, 1950.

Information Bulletin, June 1950, PRD HICOG, June 7, 1950.

The following heads-designate of mission previously approved by the Allied High Commission have indicated their intention to present their letters of credence to the Council of the Allied High Commission in the near future:

Dr. Jose Davila Tello, Minister Plenipotentiary . . . Columbia
Mr. Maurice Loze, Minister Plenipotentiary . . . Monaco

Munich Handicraft Exhibit

Following are remarks by Clarence M. Bolds, US state commissioner for Bavaria, at ceremonies May 19 launching the 1950 German Handicraft Exhibition in Munich:

It gives me considerable pleasure and pride to be with you today for the opening of your exhibition. It demonstrates again the great effort that is being made here toward a satisfactory solution to your economic problems.

The handicraft industry is particularly significant in the over-all effort for an economy that will provide a decent standard of living for you and your families. Success in your endeavors will help bolster the recovery efforts being made in other industries and by other peoples.

Greater export sales to the United States and other countries must be your immediate objective. In this manner you can assist your country immeasurably in re-establishing a healthy, sound trade balance. Greater production, at the same time, means more jobs for your people so they in turn may have the financial means of sharing the fruits of their labor. The handicraft industry, I assure you, has a most important job in achieving this end.

I wish you every success. The enthusiasm and determination that you display here increases my confidence in the German people. That you will continue to work — and work hard and long toward the bettering of your economic life — can be answered only by you men and women.

If this exhibition is a token of your desire to attain this goal, then the economic future appears very promising.

Official Announcements

Official Mail for Germany

Classified official mail is not authorized transmission in the Deutsche Post. Unclassified official mail for civilian addresses in Germany may be transmitted through the Deutsche Post without use of postage stamps. Such official mail is limited to matter within the types, sizes and weights authorized in the German Civil Post as follows:

(1) Letter mail. Maximum weight, 2.2 lbs; maximum size, length, width and height together 35 inches.

(2) Official mail which by reason of importance of contents should be registered to insure delivery will be presented to the APO for registration. Additional postage will not be required for this service.

(3) Newspapers and printed matter. Maximum weight, 1.1 lbs; maximum size, length, width and height together, 35 inches.

(4) Parcel post. Maximum weight, 44 lbs. Envelopes, labels, wrappers, and cards bearing the usual official return address and the word "Official" written or printed in the upper right hand corner, will be used for official mail for Germany. Such official mail will be deposited in Army Post Offices for delivery to the nearest Deutsche Post Office.—from Change 2, EUCOM Circular 18 of 1949.

Travel Regulations for Germans

Two actions to liberalize international travel by Germans from the Federal Republic were announced by the Combined Travel Board of the Allied High Commission May 25, 1950.

In the first action, the validity and scope of exit permits issued by the Combined Travel Board have been extended.

Exit permits for repeated journeys, which formerly were granted for periods over three months, only in special circumstances, are now obtainable for a period of six months by any German national qualified to travel. Moreover, exit permits are now valid abroad generally instead of only for the country to be visited as was formerly the case.

In the second action toward liberalization of travel, the Allied High Commission has recently authorized collective travel documents to facilitate short trips abroad by groups.

Organized parties of German nationals residing in the Federal Republic of Germany may now make short visits abroad for cultural or pleasure purposes on collective travel documents for periods up to 10 days. Each party must be composed of not less than 10 persons and must travel together as a party in both directions. Each individual is required to carry a German identity card bearing a photograph (e. g., a *Kennkarte* or *Personalausweis*). A fee of DM 5 will be charged for each person listed on a collective travel document. Further information as to the procedure is obtainable from branch offices of the Combined Travel Board.

List of Registered Vehicles

A new list of all motor vehicles registered with the European Command Provost Marshal is being distributed to provost marshals of all military posts in the US Zone of Germany to enable Military Police at post level to establish the identity of owners of privately- and agency-owned vehicles registered in the command.

The new list, printed and distributed by the EUCOM Adjutant General's Division, comprises three volumes and lists approximately 35,000 vehicles in numerical order.



Ordnance School Commandant Col. John S. Walker greets Major Sergio Maccari as Italian students begin classes.

Europe's GI's Go to US School

THERE ARE A LOT of language dictionaries seeing action in Eschwege this spring as the USAREUR Ordnance School conducts classes for men from five different nations. Officers and enlisted men from France, Norway, Italy and the Netherlands have begun training with the American equipment these countries are receiving.

The pioneer class was instructed in organizational and field maintenance of the 105 mm howitzer, 155 mm howitzer, 75 mm gun as mounted on the M-24 tank, and in the 57 mm and 75 mm recoilless rifle. Seven Italians, five Belgians and one Netherlands officer attended these sessions.

Learning these fine points of artillery wasn't as hard as might be assumed. Interpreters from the five nations have spent several weeks prowling about the school grounds learning the correct terminology in their native languages, to make translations easier and clearer. In May, the newly-briefed interpreters took on a group of 168 students for courses in organizational and field automotive maintenance mechanics, tank maintenance, special armorers and ordnance supply. More courses are scheduled.

Tiny Eschwege has taken on quite an international flavor with the addition of these foreign officers and enlisted men. Students said they were "amazed" at the abundance of equipment and training aids, and the methods of instructions employed at the school.



"So that's how it's done!" — Foreign officers, Italians, Belgians, Norwegians and Dutch, learn workings of 155 mm howitzer at USAREUR Ordnance School at tiny Eschwege.



French sergeant (above) takes his turn at M-24 tank controls. Below, American, Norwegian and Netherlands officers share a pleasant noon meal. (US Army photos)



JULY

S	2	9	16	23	30
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M	3	10	17	24	31
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T	4	11	18	25
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W	5	12	19	26
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T	6	13	20	27
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F	7	14	21	28
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S	1	8	15	22	29
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