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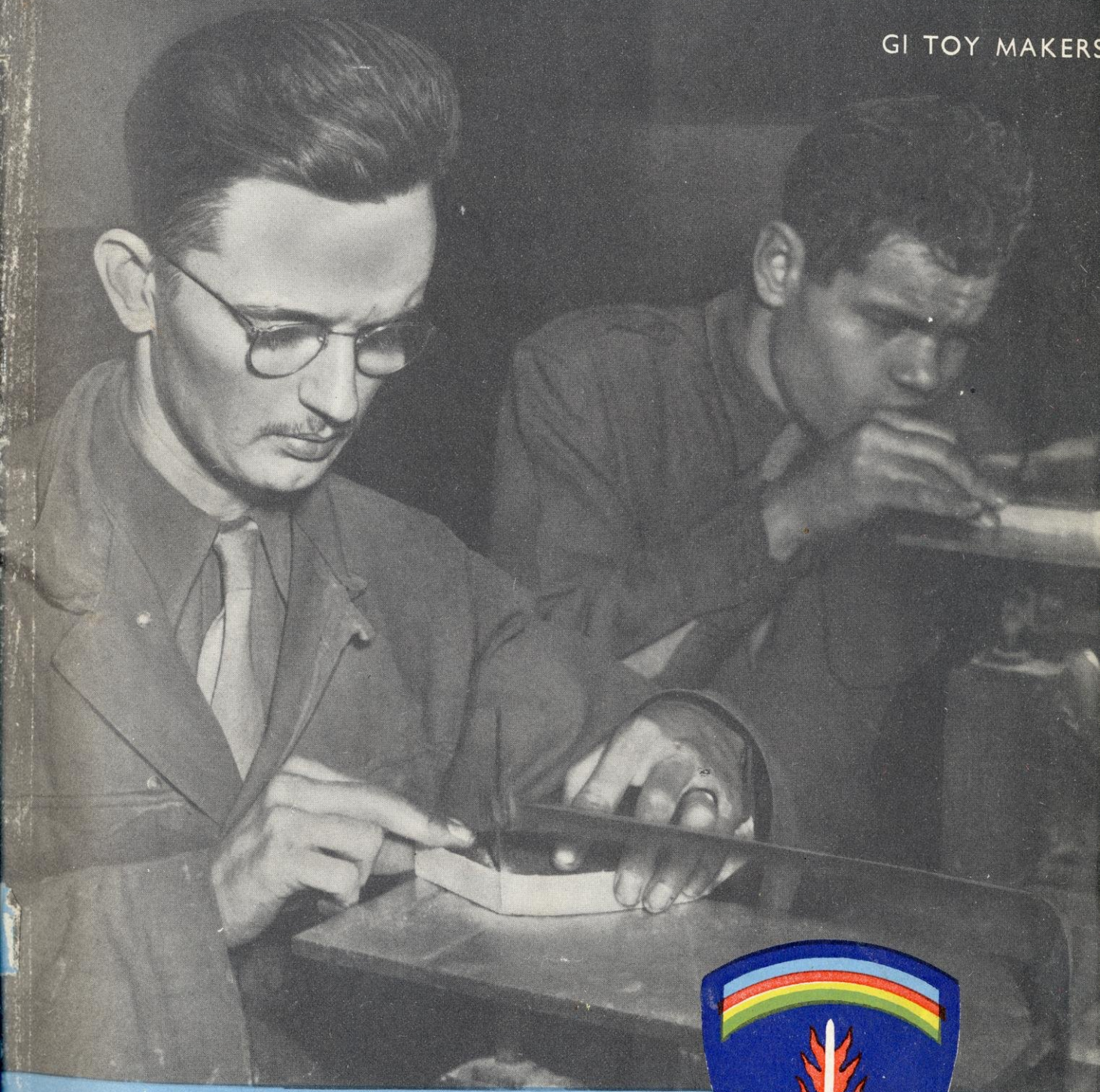
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INFORMATION BULLETIN

MAGAZINE OF US MILITARY GOVERNMENT IN GERMANY

GI TOY MAKERS



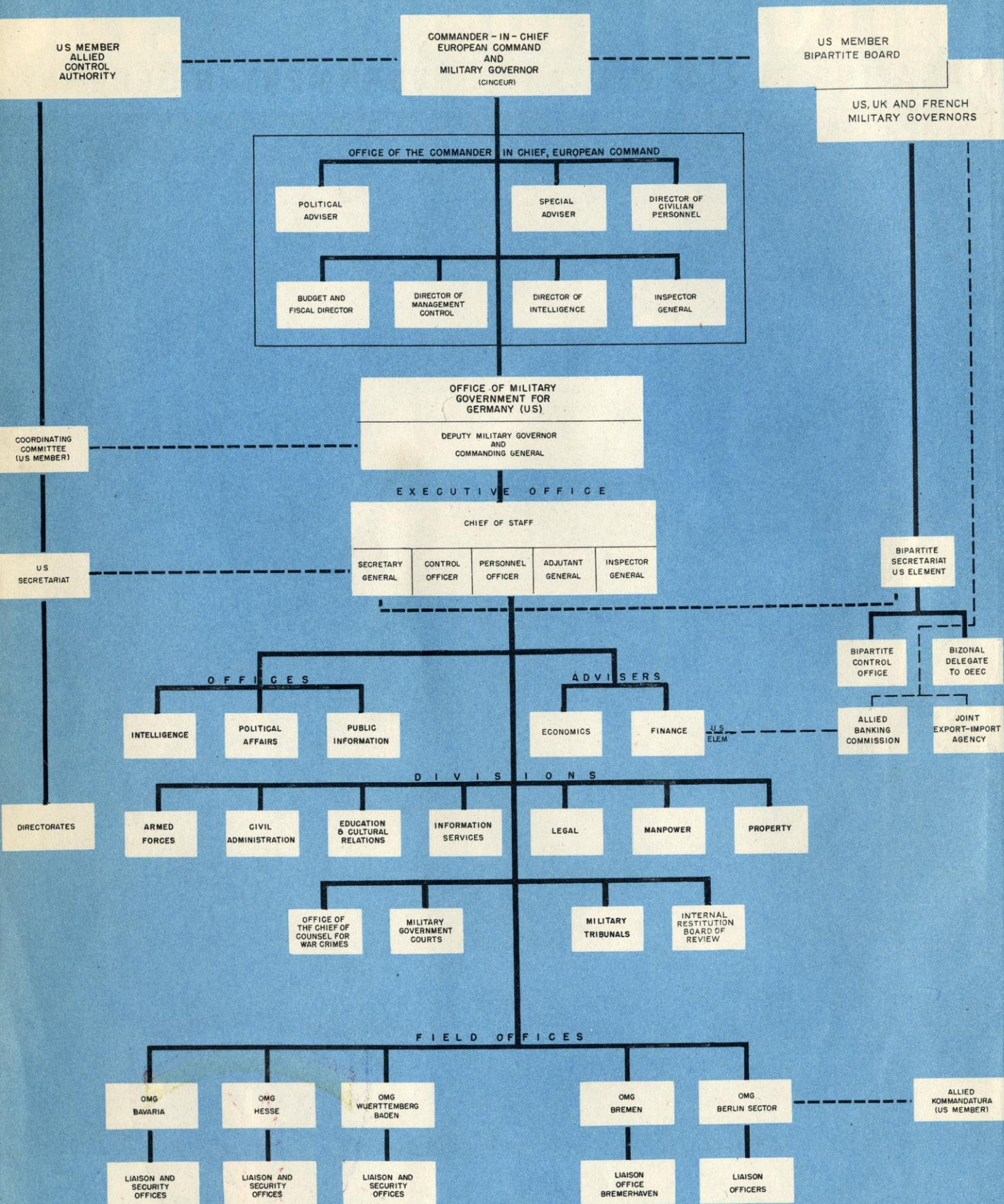
NO. 152

JANUARY 11, 1949

THIS
ISSUE:

Outlook Is Bright for 1949
Operation Better Kids

US MILITARY GOVERNMENT IN GERMANY



COVER PICTURE

GI TOY MAKERS—Two enlisted men from the 759th MP Battalion in Berlin devote their off-duty hours to cutting out Christmas toys on electric jig saws. Members of the battalion made or collected thousands of toys for Berlin children. A story on Christmas parties may be found on pages 16 and 17.

(US Army photo)

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MILITARY GOVERNMENT

INFORMATION BULLETIN

TABLE OF CONTENTS

Issue No. 152

January 11, 1949

Outlook Is Bright for 1949	2
<i>Broadcast by Gen. Lucius D. Clay</i>	
Operation Better Kids	3
<i>Article by Lawrence G. Derthick</i>	
Bank Deutscher Laender—Bank of the German States	5
From the EC to Washington via Telephoto (Pictorial)	8
Bizonal Communications—A Year of Progress	9
<i>Article by Elise F. Hawtin</i>	
German Politicians Observe US Elections	13
<i>Article by Louis Kelly</i>	
Property Restitution	15
<i>Article by Edmund H. Schwenk</i>	
Christmas Parties	16
<i>Americans entertain thousands of Germans</i>	
Golden Gloves—German Youths Learn Sportsmanship	20
<i>Article on GYA activities</i>	
Basis for Press Laws—Conditions for End of Licensing	22
Editorial Opinion in German Press	23
Press and Radio Comment	27
Questions and Answers	30
Excerpts from Official Instructions	31
Regulations, Publications, Directives, Documents	32

OFFICE OF MILITARY GOVERNMENT FOR GERMANY (US)
CONTROL OFFICE REPORTS & STATISTICS BRANCH
BERLIN, GERMANY APO 742, US ARMY

Outlook Is Bright for 1949

General Lucius D. Clay, US Military Governor, said in a radio interview broadcast late last month that the outlook was bright for western Germany in 1949. The interview, recorded in Berlin, was broadcast from New York.

The General also said substantial progress had been made in western Germany during 1948. He discussed the international situation, the airlift, the morale of the US Army in Germany, democratization, and other subjects.

The interview follows:

Do you look forward to a general peace settlement in the foreseeable future?

General Clay: I think that any expectation that a stable, peaceful world can result from a general peace settlement is oversimplification of the problem. While a general peace settlement has not been agreed in the broad sense of the word, we are at peace now or, at least, we are not engaged in war. We do not need to be plunged into war. The conditions of stability, both economic and political, which make for a long peace are returning to Europe. When the freedom-loving, democratic countries of western Europe are on their feet economically and able to protect their freedom, then we may expect a long peace.

How will winter affect the airlift? Is there any possibility of a crisis arising among the German population for want of food and heat?

General Clay: Of course, winter weather decreases the tonnage we can move by air. Nevertheless our worst air weather based on the record comes in November and December. We have met this challenge by carrying our minimum essential tonnage in both months. We now have 40 more C-54's available with better weather prospects and we should, henceforth, exceed the minimum, which means some coal for domestic heating and for industrial use. Our record during the very bad weather in November and December was due to an efficiently-run operation which permitted transfer of airplanes from airports in a bad weather area to airports in a better-weather area.

Since we will meet minimum tonnages, we can have no food crisis in Berlin. If the winter is unduly severe, there will be suffering from extreme cold. However, I am convinced that the people of Berlin have learned from their experience under one totalitarian government to withstand almost any hardship rather than to accept another totalitarian regime.

What are the prospects of allied cooperation on western Germany, i. e., the Ruhr, Trizonia, and western German government?

General Clay: The representatives of France, the United Kingdom, and the United States met in London last spring and there reached agreement in principle on Ruhr control, the setting up of western German government and the establishment of tri-partite supervision of their three zones of occupation through the western German government. We are now working out the details.

(Continued on page 25)

Operation Better Kids

by **Lawrence G. Derthick**

Chief, Education Branch
E&CR Division, OMG Bavaria

Since the beginning of the occupation, US Military Government has advocated a three-fold program for reform of the German public school system: free tuition, school books and teaching materials; six years of elementary school for all students, and abolition of the "two-track" system.

Some progress has been made. Bavaria has passed a law granting free text books and tuition, while Bremen has incorporated certain reforms in its state constitution. But no reforms have been effected in the remaining two states of the US Zone—Hesse and Wuerttemberg-Baden.

Elimination of the "two-track" system is the crux of the reform favored by Military Government. Under the pre-occupation system, all children went to free public schools for four years, then by paying tuition a relatively small group changed over to secondary schools for a 10th grade diploma or to prepare for university.

The non-paying students continued four more years in elementary schools for a total of eight years. Then generally their school days were over, because it was almost impossible to qualify for entrance into universities.

Under the proposed reform—advocated the past 100 years by many German educators themselves—the public schools would consist of six years of compulsory elementary education followed by six years of voluntary secondary education. All 12 years would be free to all students.

In the following article, Mr. Derthick cites the most common German objections to reform, and answers each.

MANY QUESTIONS, raised at public forums in Bavaria concerning school reform, follow a common pattern and seem to center around three main issues, namely: Involving financial questions, the extension of the elementary school to six years, and the extension of full-time compulsory education from eight to nine years.

In every forum some German is sure to say something like this: "In Ger-

many today we are a poor and bombed-out country. We would like to have all of these fine things for our children, but we simply cannot afford them; we are not rich like America."

The answers to this objection are numerous, sound and convincing. First, let us consider the financial issues:

1. People constitute the most precious resource of a nation. Existing

conditions in Germany make it more urgent, not less urgent, to invest in people through education. To the degree that the people can be made more skilled, more creative, and better citizens through education, to that degree will Germany correct adverse economic and social ills.

This truth is not based upon personal opinion or judgment, but upon a scientific research throughout the world which has demonstrated that the education of people is the most important factor in determining their economic and social welfare.

Money spent for education is an investment in people which yields a return of many fold, and it cannot be viewed in the light of many other governmental expenditures which permit restrictions and curtailments during hard times. Germany can afford the cost of school reform and she cannot afford to miss making this investment.

2. School reform involves a long-time program and the increasing expenses will be gradual. One cannot view the cost of school reform alone on the basis of existing economic conditions, but should look into the future when the present evidences of economic conditions in general will have matured, thus making less

(Continued on next page)

German school children, like the group shown below, would be entitled to 12 years of free schooling under a three-fold program advocated in the US Zone by Military Government.

(US Army photograph)



burdensome the task of supporting public education.

3. Bavaria is not even giving her children their proper share of the money now available. Little more than five percent of the state's income is spent for education. In many American communities as much as 63 percent or more is invested in education. Thus, the excuse that America is rich and can do these things for her children is not sound in the sense that these American communities simply give more of what they have for their children's sake.

One way to begin the cost of school reform might be to give Bavarian children their fair share of the money already available and certainly, as state income increases, the children should have a greater share.

4. Research on problems of public finance will reveal more adequate methods for supporting public education. We have not had the resources to do more than scratch the surface on this problem, but we have found out enough to know that new methods of taxation, collection, and distribution of funds as between state and local communities will make the educational load easier to carry.

5. In every audience there will be substantial German citizens who will most heartily agree that in the past Germany has been able to develop resources for building one of the greatest military machines the world has ever seen and that a people sufficiently productive to come back and do this a second time are sufficiently productive to finance an adequate educational program and to build school buildings in the place of magnificent barracks.

6. After all, to have an adequate improved production and improved school system only requires children, materials, adults and an organization to use these resources as effectively as they were used to build a great war machine. Children, materials and adults are available in Bavaria in great abundance. The effective organization for utilizing these resources can be achieved once again and for a vastly better purpose.

THE SECOND of the three major issues relates to secondary education, specifically to the restriction of the time allowance for the Gymnasium from nine to seven years resulting from the extension of common education in the elementary school for all children from 4 to 6 years.

Critics of this program contend that this will lower the proud standards of the Gymnasium because the so-called gifted pupils, having entered these schools two years later, will have insufficient time in which to achieve the established standards. For example, because training in Latin for nine years is considered essential to success in the university and in life, it is contended by conservative elements that seven years is too short a time allowance for the proper teaching of this subject.

Most likely it will not be able to convince the most conservative of the people that they are mistaken, but it will be found that the majority will react very thoughtfully to positive answers; some will agree heartily and some will be converted.

Actually, school reform is designed to raise the level of secondary education, not to lower it. There are several good arguments to support this answer. The Nazis eliminated the last year of the high school back in 1938. German committees, working with Military Government, have recommended that this 13th school year be reintroduced as soon as possible.

Therefore, to extend common elementary education two years would reduce the Gymnasium program by only one year and not by two years and would give the children to the Gymnasium at a more mature age when their achievements could be greater. Furthermore, it can be emphasized that the two years during which the children would be retained in elementary school would in themselves be fruitful years and cannot be viewed as lost years.

Another answer for this same issue grows out of the feeling by secondary teachers that they have too many students in their schools who are not really suited for academic studies of the college preparatory type. This is true because of the following conditions: (1) The process

of selection is really not very thorough because of the absence of modern guidance and testing techniques; (2) the selection is made too early, at the end of the fourth school year; (3) thousands of students who enter secondary schools are not preparing for the university at all, but for a special diploma which is given at the end of the 10th year.

We want to better this situation (1) through improvement of the procedures of selection for this type of school, (2) through postponement of the selection to the end of the sixth school year, and (3) by the creation of a new type of secondary school for the great masses of the people.

This is an especially popular feature because this proposed new type of secondary school will open up high school opportunities of the kind suited to the needs of those who have been misfits in the old type schools. It will also open the doors to many thousands of boys and girls who have never had the chance of a high school education.

INCIDENTALLY, this proposed new school will most nearly resemble the American high school, and German educators with much enthusiasm have themselves set the pattern for this school and are rapidly completing plans for its organization.

Thus, this plan will certainly raise standards and not lower them; first because a practical secondary education will gradually be made available to all children; and second, because the Gymnasium will be freed to do the job for which it is intended.

Many Germans in considering this issue are likewise impressed by the following views: that it is undemocratic to separate the small group of so-called gifted pupils at such an early age and that it tends to accentuate the problem of class distinction; that at the tender age of 10 or the end of the fourth grade it is too early to compel many children to make unalterable vocational choices; that the trends toward a longer period of common elementary education are world-wide.

It is often advantageous to explain that a scientific research project has been suggested which would be

(Continued on page 29)

Bank Deutscher Laender

— Bank of the German States

THE REORGANIZATION of the banking system in the US Zone reached its climax in March 1948 with the establishment of the Bank Deutscher Laender (Bank of the German States).

The keynote in the postwar bank reorganization in the US Zone has been decentralization, which has included steps for the liquidation of the Reichsbank and the decentralization of the big banks. The establishment of the Bank Deutscher Laender now provides a new central banking organization for the Zone.

Before May 8, 1945, the German banking system was highly centralized and under the control of the Nazi government. This condition developed through the existence of powerful associations of credit institutions, which in the case of savings banks and credit cooperatives took the form of regional associations under central associations in Berlin, formed with the purpose of collecting and investing the surplus deposits of the member institutions.

Moreover, the banking supervision exercised by the Nazi government was extensive. The Nazi government had wide powers, especially concerning the dismissal and appointment of high bank officials.

The German banks engaged both in commercial banking by granting short term credits and in investment banking by assisting industry and trade to meet their long-term capital needs.

Through investment banking the German banks acquired considerable economic influence by participating directly in industry, promoting new enterprises, initiating mergers and capital reconstruction, gaining representation on supervisory boards, dominating the stock exchanges, and voting their customers' stock. This latter practice permitted, in many instances, the large banks actually to hold proxies for the majority of stock in business enterprises.

The huge expenditures for the prosecution of the war completely dominated the credit system. The financial resources of the banks were used almost exclusively by the state for financing the war.

THE EXPENDITURES were met not by the direct floating of loans to the public as in the United States, but by the banks' subscription to government securities out of the accumulated deposits of their customers. The result was that, on May 8, 1945, approximately 80 percent of the banks' assets were invested in state securities.

In the Potsdam Declaration of Aug. 2, 1945, the Allies established the principle of economic decentralization of Germany. The policy for the decentralization of banking in the US Zone was based on the following provisions:

1. Decentralization of the Reichsbank by establishing state central banks.
2. Decentralization to the state level of all classes of banking and credit institutions in the same manner as for the Reichsbank.

Initial proposals concerning central bank reorganization were addressed to the ministers president of the three principal states in the US Zone by Military Government on Nov. 1, 1945.

Included in this letter was the following statement of one of the problems to be solved in carrying out the economic objective of the Potsdam Declaration: "... to establish a basic state central banking organization which can be coordinated on a zonal basis and later integrated with any subsequent banking plan for Germany as a whole."

Material for the article on Bank Deutscher Laender was obtained from the Military Governor's monthly report No. 32 and from MG Law No. 60 under which the Bank was established.

In a meeting held on March 4-5, 1946, the finance ministers of the three states formulated a law establishing state central banks which closely followed the original MG recommendations. The Finance Committee of the US Zone's Council of States accepted a revised version of the draft law on July 1, 1946.

HOWEVER, when the law was submitted to Military Government, it was found to be unsatisfactory from several points of view, particularly since the draft envisioned too much political control over the central banks.

Finally, at an extraordinary session of the council's Finance and Banking Committee, held on Nov. 26, 1946, in Stuttgart, the final draft of the state Central Bank Law was approved. It was enacted in Bavaria on Dec. 6 and in Wuerttemberg-Baden on Dec. 7, 1946, with the approval of the cabinets.

Because of the political conditions in Hesse which would have delayed the passage of the bill, it was promulgated by order of Military Government on Dec. 7, 1946, in that state. The law became effective in all three states on Jan. 1, 1947.

The law created a state central bank in each of the principal states of the US Zone, established along the lines of the US Federal Reserve Banks, to act as a bankers' bank, taking over this function from the former Reichsbank branches.

As no complete liquidation of the Reichsbank is possible before such action is undertaken for all of Germany, a trustee was appointed in each state to administer the remaining assets of the Reichsbank in that state until final liquidation.

The greater part of the deposit liabilities of the Reichsbank were taken over by the new state central banks, leaving mainly the totally-blocked accounts with the trustees.

On the asset side, claims on Berlin originating out of preoccupation business, constituting a large asset item,

were not transferred to the state central banks. The consequent excess of liabilities over assets was balanced in the case of each of the banks by a claim on the trustee of the Reichsbank for the state. In order to facilitate an eventual liquidation of the Reichsbank on a zonal basis, a general trustee for the Reichsbank was also appointed for the entire US Zone.

WHEN Bremen was established as the fourth state in the US Zone on Jan. 2, 1947, a reorientation of its financial structure toward the US Zone was necessary.

Heretofore, banking in Bremen had been an integral part of the central banking system of the British Zone. Thus the Bremen Reichsbank, which had been instrumental in the financing of imports to the US Zone, had been dependent upon the Hamburg Reichsbank central office for the British Zone.

Military Government endeavored to limit the excessive concentration of economic power in German private banking in the US Zone by decentralizing the three largest branch banking houses: the Deutsche Bank, Dresdner Bank and Commerz-Bank.

Before and during the war these banks constituted the financial backing of German cartels, syndicates and trusts, and they exercised considerable influence over the greater part of the German monopolistic groupings.

Military Government Law No. 57, promulgated on May 6, 1947, was designed to rectify this situation in accordance with the principles established in the Potsdam Declaration.

The law provided that an independent and disinterested custodian should be appointed by each state government for the three banks. These custodians, responsible to the state governments would manage and administer the property of these banks within the respective states. They would preserve, maintain and safeguard the banks' assets. Moreover, they would in no way be influenced by or take instruction from the present officials or shareholders of these banks. By a specific provision of the law the independent custodians would change the names of these banks in

such a manner that the new names would be different in each state.

To make the law effective, the ministers president of the state governments issued administrative regulations cutting off the giro systems of these banks beyond state boundaries and forcing all clearings of more than RM 100,000 to be carried out through the state central bank system. In addition, weekly statistical reports were required in order to assure that the banks would not try to weaken their structure by sending money outside the Zone. All transfers for legitimate business were permitted.

Contrary to fears of German officials that the decentralization policy might adversely affect public confidence in the banking system of the US Zone, Law No. 57 had in no way weakened public confidence. There was no run on the banks, there was no increase in withdrawals, there was no attempt to transfer funds into other zones, and stock quotations, which had declined for a few days, recovered their previous position shortly after passage of the law.

Joint US and British conferences in the fall of 1947 resulted in the formulation of general principles regarding the establishment of a new central bank and of the implementation of bank decentralization in the British Zone.

As a result of and in line with these decisions, various proposals for this new central bank were submitted by German authorities in the US and British Zones.

Examination of these proposals revealed, as a common characteristic, the difficulties encountered by their German originators who envisaged a central banking system which was not dominated by political bodies, which would not control the banking system operating under it through more than purely financial measures, and which would consciously refrain from engaging in any kind of commercial banking business.

In order to come closer to the realization of these principles as well as others established by the US and British Military Governments, a meeting of German experts of the various

state central banks was convened to develop a draft law establishing the Bank of the German States.

After long and detailed discussions, the law was finally signed and promulgated in the US Zone as MG Law No. 60 and as Ordinance No. 129 in the British Zone, and was made effective in March 1948. A revision of the law went into effect Nov. 1, 1948.

Under this law the bank, set up in Frankfurt, had a capital of RM 100,000,000 and all member banks subscribe to it in proportion to the amounts of their deposits. The bank is limited to transactions with member state central banks, central banks of other German states and of foreign countries or their equivalent, and the Bizonal Economic Administration. It has no branches or subsidiaries or affiliates and is not subject to the German Banking Act or to the instructions of any political body or public non-judicial agency. In deciding upon the policies of the bank, however, the board of directors is subject to such directions as may be issued by the Allied Bank Commission.

The policies of the bank are determined by a board of directors and executed by a board of managers. The board of directors consists of a president, a president of the board of managers and presidents of each of the member state central banks. The board of directors arrives at its decisions by a simple majority of the votes cast, each member having a single vote. The vote of the president is decisive in a tie. This chairman is elected by a simple majority of the members of the board. During his term, however, he cannot be a member of the board of directors or board of managers of any member bank.

The board of managers of the bank has a president, a deputy and a number of managers fixed by the by-laws. The president of the board of managers and his deputy are elected and their terms of office fixed by the board of directors. The other members of the board of managers are appointed for terms determined by the board of directors. The president of the board of managers is responsible to

the board of directors for the execution of all decisions of the board of directors and for the general conduct of the business of the bank.

THE BANK is the exclusive bank of issue and, subject to Allied direction, may issue and distribute bank notes and coins. In addition, the bank promotes the solvency and liquidity of the member banks and establishes common policies with respect to banking in general and uniformity in banking policies within the states.

The bank may issue directions for the general regulation of bank credit, including interest and discount rates and open market operations of the member banks. The bank fixes the minimum reserve requirements for the member state central banks and may regulate the establishment of minimum reserve requirements for individual banks. It assumes and effects all banking transfers resulting from the orders of third parties and which are transfers over state boundaries. Credit institutions must execute all such transfers through their accounts with the central banks.

The bank may engage in the following transactions with central banks: purchase and sell foreign exchange and gold, silver and platinum, subject to existing legal restrictions; accept deposits; rediscount bills of exchange; provide facilities for the safekeeping and custody of securities and valuables; and grant loans against bills of exchange, treasury bills and securities issued by the Bizonal Economic Administration or by any state within the area of the member state central banks, and fixed-interest-bearing securities which any member state central bank has purchased on the open market.

The bank may serve as fiscal agent, without charge, for the Bizonal Economic Administration, including acceptance of deposits, purchase and sale of treasury bills and fixed-interest-bearing securities, and provision of payment facilities and facilities for the safe-keeping and custody of valuables and securities. It also may grant to the Bizonal Economic Administration short-term advances in anticipation of specific rev-

enues, advances which do not exceed DM 300,000,000 unless the board of directors by a decision of three-quarters of its members raises it to DM 500,000,000. It may grant to any one or more of the states of Rhineland-Palatinate, Wuerttemberg-Hohenzollern and South Baden in the French Zone, short-term advances in anticipation of specific revenues not in the aggregate to exceed the amount of DM 40,000,000, unless the Board of Directors, by a decision of three-quarters of its members, raises this limit to DM 60,000,000.

In the open market, the bank may purchase and sell treasury bills and fixed-interest-bearing securities of the Bizonal Economic Administration.

SUBJECT to any legislation for the time being in force, the bank may directly or through authorized agents, acquire and dispose of, for its own account or the account of others,

foreign exchange (defined as means of payment and bills of exchange expressed in foreign currencies and balances with foreign banks), gold, silver and platinum, and for this purpose it may maintain accounts with foreign banks. The bank regulates foreign exchange transactions including, when licensed, foreign exchange transactions prohibited by Article I of MG Law No. 53 or Article II of MG Law No. 52 in respect of property covered by Article I, paragraph 1 (f) of the latter law.

Upon request, the bank serves as fiscal agent for JEIA and equivalent agencies in other German states. It regulates the collection, assembly and evaluation of monetary and banking statistics and establishes rules for their preparation by and through the member banks. It also fixes and publishes interest and discount rates for its transactions with them. + END

Bavarian Firm Decartelized

The first order to a Bavarian firm to dissolve itself under provisions of US Military Government Law No. 56 on decartelization has been issued. Mr. Francis O'Connell, chief of the Decartelization Branch, Office of Military Government OMG Bavaria, announced.

The order, issued by the Bipartite Decartelization Commission in Frankfurt, named the Zentral-Einkauf Bayerischer Kohlenbergwerke und Salinen (Central Purchasing Organization of Bavarian Coal Mines and Salt Works).

The commission, which had the case under consideration since March 1948, found that the association had been formed for the purpose of supplying materials and equipment to its member mines and that it represented an excessive concentration of German economic power in that it had monopolistic control of the allocation, sale, and distribution of mining equipment in Bavaria.

It was further found that the association practiced discriminatory restrictions in membership and allocated materials and fixed quotas other

than in an advisory capacity. The commission added, however, that nothing in the order prohibits the formation of a new association of mining establishments "provided the charter of, and the practices followed by, such new association conform in all respects with US MG Law No. 56."

MG Law No. 56 provides against excessive concentration of German economic power and the fixing of prices, elimination of competition, allocation of goods or customers, limitation of production and the setting of quotas in restraint of trade. Mr. O'Connell defined decartelization as "the breaking up of monopolies in the various fields of trade and commerce in order to benefit the independent business man, small trader, or artisan."

The size of a business has no bearing upon whether its contracts or practices come under the regulations of Law No. 56, he added. "A small business is just as potentially capable of making a deal to eliminate competition as a large one," Mr. O'Connell said.

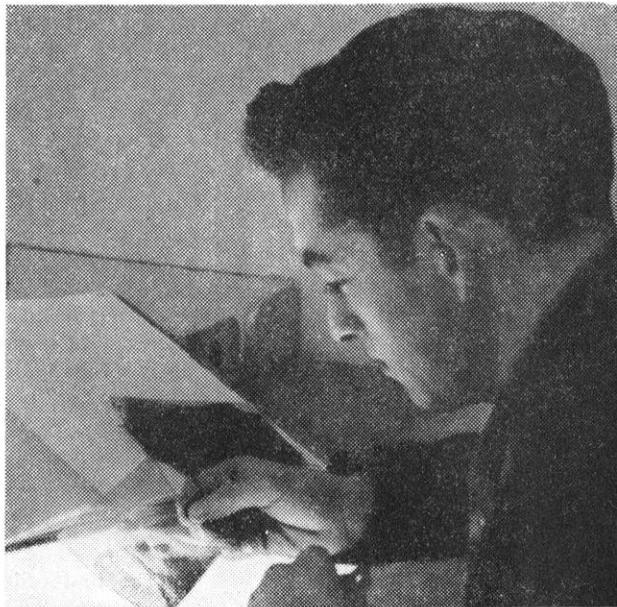
From the EC to Washington via Telephoto

This series of photographs illustrates the method by which the US Army Signal Corps handles pictures of incidents and events in the European Command, which are of interest to Americans back home, for transmission by telephoto to Washington. Photographers of the 7796th Signal Photo Co. at Hanau, Germany, where EUCOM's central photo laboratory is situated, are available at a

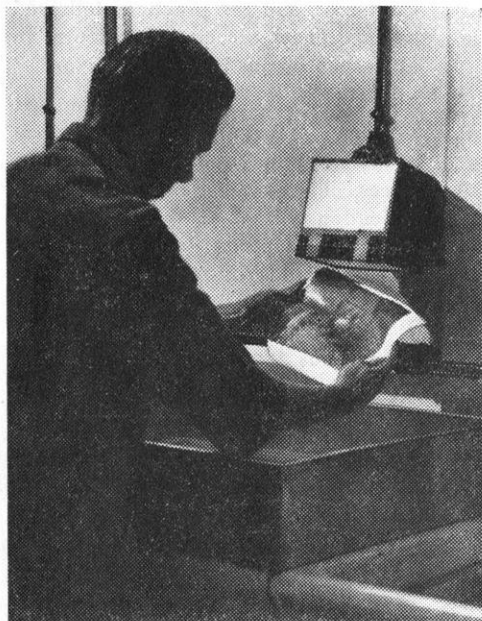
moment's notice for photograph coverage. Immediately upon completion of an assignment, the films are taken to the nearest military post laboratory for processing, or returned to the Hanau laboratory. Within two hours the finished radio prints are on their way to Frankfurt by special courier for transmission by telephoto to the United States, for reproduction in US newspapers.



Cpl. Leo H. McNally (left) and Pfc Adion O. Stuart take pictures of the arrival of flour donated by Americans for blockaded Berlin.



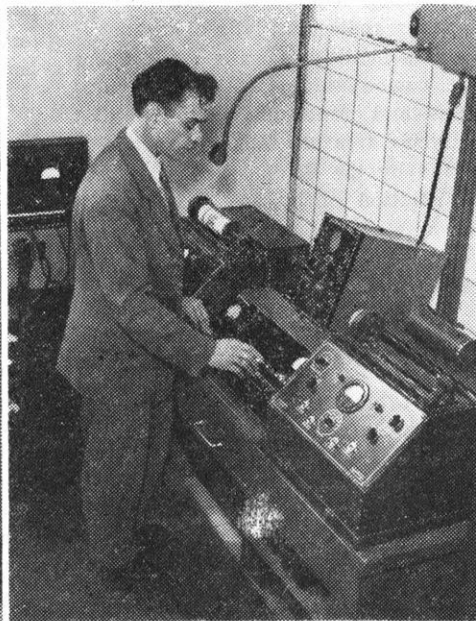
Pfc David E. Colson, news editor of the 7796th Signal Photo Co., edits a negative before it is sent to Frankfurt.



Cpl. Donald McCoy, laboratory technician, examines finished radio photo print before it is dried.



Pfc Otto A. Kemp, courier, hurries to his vehicle with a print he is taking to the laboratory.



James L. Whitney of the Department of the Army, transmits photo to Washington. (US Army photographs)

Bizonal Communications – A Year of Progress

by **Elise F. Hawtin**

Bipartite Control Office Section
PIO OMGUS (Frankfurt)

THE GERMAN communications system in the Bizonal Area has been fully restored to its prewar level of service.

This achievement largely is the result of the improvement of the Deutsche Post which combines the functions of a postal service, a telephone system and a telegraph company, plus offering financial services of banking and financial institutions. Its busses, which carry fare-paying passengers as well as mail and freight, are in many instances the only connecting link between isolated German villages and the larger cities. Its employees, exceeding 200,000, are mostly civil servants.

Full restoration of German communications services, vital not only to German recovery but for European recovery as well, has been a basic objective of Military Government.

The first 16 months following the German collapse in 1945 saw the restoration of all internal communications services within the Bizonal Area and most of the major communications services between the US, British and other occupation zones.

A start had also been made toward putting Germany into contact with the outside world with the reopening of limited international postal service in April 1946 with all countries except Japan and Spain, and with the initiation of an incoming international parcel post service, limited to gift parcels for the three western zones, the following summer.

Transit telecommunications service throughout Germany, a vital step in the restoration of normal communications throughout Europe, was approved in December 1946.

Long distance telephone and telegraph service, which was made available to the German public in the US Zone six months after the cessation of hostilities, was reopened between all occupied zones and the city of Berlin early in 1946, and on April 1, 1947, both international telephone and telegraph service on a limited basis was resumed between the Bizonal Area and the United States, other Western Hemi-

sphere countries and most of western Europe.

Although collect telephone calls and prepaid telegrams from the Bizone to certain other countries were authorized at the same time, limited foreign exchange funds restricted normal outgoing international service to businessmen whose activities were essential to German economic recovery.

A YEAR AGO less than 2,000 German firms and individuals in the Bizone were authorized to make international telephone calls or send international telegrams. Today all Germans in the Bizonal Area can call the United States, Sweden, Brazil and Argentina, even on a reversed charge basis for both business and social purposes, and about 4,000 can phone any country to which service is available on business matters.

There are no restrictions on the dispatch of outgoing telegrams to 17 Latin American countries and to Czechoslovakia due to those countries accepting messages on a "sender keep

(Continued on next page)

All photographs

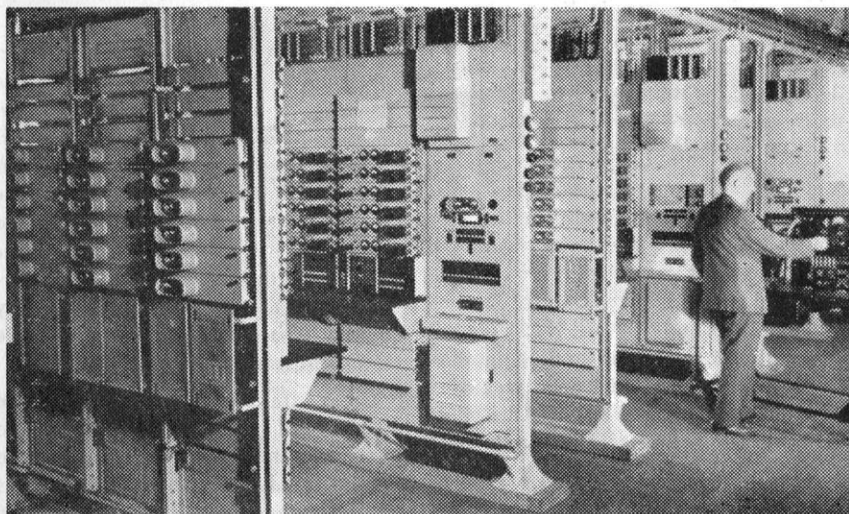
by German Postal Administration.

This is the telegraph office with employes at their teletype machines, in Frankfurt's new communications center.

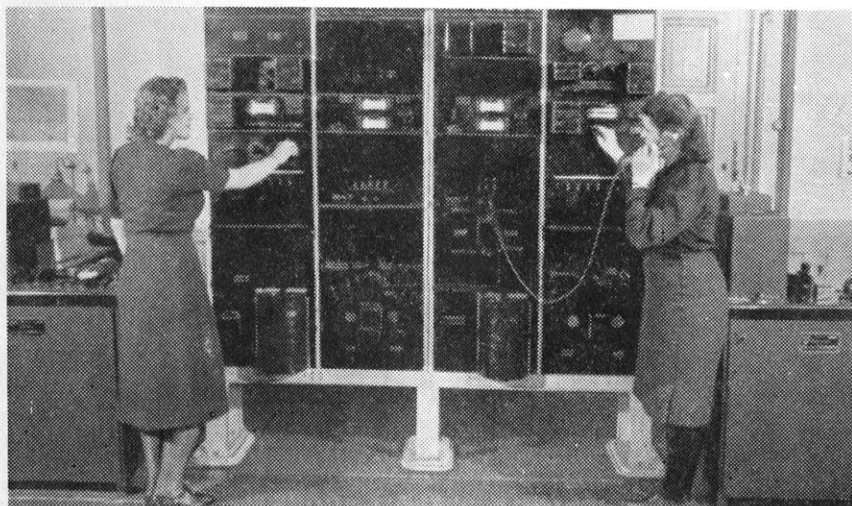




This is the Deutsche Post's teletype repair shop at Frankfurt.



Interior of repeater station which strengthens long distance calls.



Test board for checking the transmission of telegraph messages.

all" basis. The "sender keep all" principle as applied to international communications permits the country of origin to keep the entire message fee for each originating communication.

Any bona fide business message can be sent anywhere in the world. This progressive relaxation of existing restrictions was authorized in order to promote the expansion of the German export-import program and to stimulate western German recovery.

When negotiations are completed, postal and telecommunications relations between the Bizone and Spain and Japan will be resumed. Then, bizonal Germany will for the first time since 1939 be in communication with all countries of the world.

Other services were also added, improved and supplemented throughout 1948 to speed the exchange of correspondence and goods between western Germany and the remainder of the world. Incoming international airmail service was reopened April 1 and limited outgoing airmail service on May 1. Effective Oct. 20 all restrictions were lifted on the use of outgoing airmail by bizonal Germans, and Germans are now permitted to send as well as receive packages with the inauguration in October of two-way international parcel post service.

Similar impetus was given to the expansion of international radio telegraph and radio telephone facilities during this same 12-month period. Direct radio telegraph service between the Bizone and South America was introduced Nov. 1, 1947, and direct telephone service to Brazil and Argentina the following spring. Denmark was added to the growing list of countries willing to accept collect calls from Bizonal Germans and person-to-person calls were authorized in the international long distance service.

Today, calls can be placed even to passengers on ships at sea. German coastal maritime radio stations were brought back onto the international scene with the authorization in May of marine ship-to-shore radio telegraph service.

The value of this service, which flashes navigational bulletins, storm reports and routine docking instructions to ships at sea, was demonstrated four months later when the Kiel coastal maritime station was able

to direct rescue operations for a Danish ship which had sunk in the Baltic after hitting a mine off the German coast.

Domestic interzonal telephone and telegraph service was also improved with the addition of 30 new categories of service, including facilities for sending urgent personnel, press or government messages. A special prewar frontier service was revived enabling Germans living in border communities to phone towns in adjacent countries on the other side of the German boundary line.

One of the most marked developments in the communications field during the past year has been the greatly increased speed and dependability of all categories of service.

Despite badly-worn and over-loaded equipment and a chronic shortage of skilled personnel, the Deutsche Post handled an average of 300,000,000 letters a month during the first six months of 1948, and more than 1,000,000 incoming packages.

About 3,000,000 telegrams a month were sent during the first half of 1948—four times as many as were filed in an average month in 1938. More than 154,000,000 phone calls a month were made during this same period of 1948—25,000,000 more than in 1938. The volume of long distance calls was double that of prewar years.

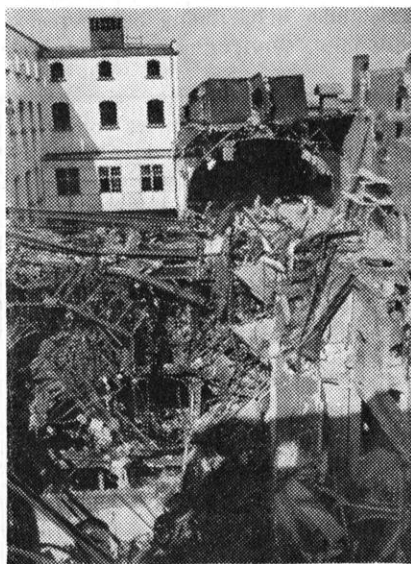
This abnormal traffic burden, which reached its peak during the third week in June, shortly before announcement of currency reform, took a sharp drop in the first two weeks after conversion. The biggest drop was in the number of long distance phone calls made, but both mail and telegraph traffic fell to about half the preconversion volume.

At the end of the first month after the new money came into circulation Deutsche Post traffic was back to the 1937 level and by Oct. 1, while still below the abnormal preconversion volume, had surpassed prewar levels. Marked improvement in service was an immediate effect of the reduced traffic load.

A year ago about 15 percent of all intra-zonal long distance calls placed were cancelled by the originator due to the excessive delays involved. Today few calls, even to the most distantly-located points in the Bizonal

Area, require more than 15 minutes to complete.

OVERALL IMPROVEMENT in personnel efficiency has also contributed to the general betterment of service. This increase in efficiency is due partly to the fact that excessive overtime formerly demanded of the undermanned Deutsche Post staff is no longer required. It is also due to the more selective personnel policy immediately instituted by the German Bizonal Department for Posts and Telecommunications as the labor supply increased after June 20, and



Bomb ruins of main pre-war communications center in Frankfurt with new communications building in left-hand corner.

to the newly-placed emphasis on language and technical instruction.

One hundred sixty thousand more telephones were in use Oct. 1, 1948, than a year before, bringing the total number to above 1,600,000. Only about five percent of this number is in use by occupation forces. Hundreds of additional operating positions have been added to German switchboards. The increased speed and dependability of all categories of communications service has had an important effect on German morale as well as proving directly beneficial to the economy.

The return of communications facilities to German control and opera-

tion during the past year kept pace with the rapid rehabilitation of the communications network. By Nov. 1, 1947, the majority of German telecommunication services in the US Zone had been transferred to German civil control. These included more than 2,500 miles of telephone and telegraph open wire lines which had been operated by the US Army since the end of the war.

By Jan. 1, 1948, the Deutsche Post had taken over responsibility for all telegraph services which the US commercial companies licensed to operate in the Bizonal Area had been performing for occupation personnel. The single exception was Press Wireless, which was authorized to continue in order to insure specialized service to the Allied press.

A month after US commercial telegraph companies ceased to operate in the Bizone, the single US commercial telephone company, which had been licensed by Military Government to provide overseas telephone service from the Bizone to the Western Hemisphere, also terminated its activities, placing all international telephone and telegraph service for Germans and Allied personnel through German facilities.

The Deutsche Post was fully prepared to meet the technical demands of this newly-delegated authority. In December 1947 two specially-designed, German-built radio transmitters were installed in a station situated in the outskirts of Frankfurt, becoming the first German-owned, constructed and operated commercial radio equipment to be installed in the Bizone during the postwar period. On Jan. 1, 1948, this station became the only radio telegraph link between Germany and the United States.

The first radio teletype equipment ever used in German post history was also installed in December. Developed during the war, this equipment eliminates manual operations and by reducing personnel requirements has made it possible to handle a steadily increasing overseas traffic load.

In order to fulfill its commitments in the field of overseas radio telephone, special equipment of a type never before produced in Germany was needed by the Deutsche Post.

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Although only two engineering firms in the world had previously produced this particular type of transmitting equipment, the German firm of Lorenz A. G. announced it was prepared to undertake its manufacture, at a saving of about \$1,000,000. Completed a year later, the new installation is one of the world's most modern transoceanic radio telephone stations, providing continuous transatlantic communications except under the most adverse weather conditions.

With the completion of this station the Deutsche Post returned to the US Army all Signal Corps equipment with which it had been operating. From now on international radio telephone traffic from the Bizonal Area will be handled entirely over German-manufactured equipment.

Certain broad responsibilities in the field of radio communications will revert to German control by decision of the Military Governors reached on July 15, 1948. This delegated authority covers control over all radio frequency emitting equipment and the licensing of both Germans and eligible Allied personnel for amateur radio operations, Allocation of radio frequencies and control over radio broadcasting are still reserved to Allied Military Government.

Further authority was placed in Deutsche Post hands when negotiations at the international level on the technical operation of telecommunications circuits became a full German responsibility on Aug. 1. Control over circuits transiting the Bizone to other countries still rests with Military Government.

The issuance of postage stamps without prior MG approval also became a German responsibility in August.

Censorship of German civilian mail, telephone calls and telegrams, both internal and international, originating or terminating in the US Zone, ended Oct. 15, by MG order. The original regulations relating to the subject matter of German civil communications prescribed by ACA and German laws in effect still stand, however, and the US occupation forces reserve the right to impose censorship on communications to and

from the US Zone in the interests of occupational security.

ALTHOUGH the demands of western Germany's expanding economy had prompted the establishment of a bizonal communications organization in March 1947 to expedite the rehabilitation of the communications network in the combined US and British Zones, it has been basic MG policy to press for the resumption of all interzonal and major international communications services on a uniform basis throughout the whole of Germany.

The Bizonal Area now leads the remainder of Germany in the restoration of services, but considerable

The following articles concerning communications in Germany were published in previous issues of the Information Bulletin:

Civil Communications in Germany, Issue No. 6, Sept. 1, 1945.
Civilian Mail Service Resumed, Issue No. 9, Sept. 22, 1945.
Revival of Communications, Issue No. 13, Oct. 20, 1945.
Reichspost—A Monopoly, Issue No. 27, Feb. 2, 1946.
Army Use of Reichspost Facilities, Issue No. 33, March 16, 1946.
Reichspost Rates Raised, Issue No. 37, April 15, 1946.
Denazifying the Reichspost, Issue No. 40, May 6, 1946.
Long Distance Telephone Service, Issue No. 44, June 3, 1946.
Communications, Issue No. 80, Feb. 17, 1947.
Bizonal Agency for Communications, Issue No. 84, March 17, 1947.
Restoration of Communications, Issue No. 105, Aug. 11, 1947.

progress in the rehabilitation of communications for all four zones continued to be made through quadripartite action during the first six months of the period Oct. 1, 1947—Oct. 1, 1948.

Four-power agreement had been reached on Dec. 1, 1947, for the resumption of international telegraph service and on Feb. 1, 1948, for international telephone service on a Germany-wide basis. Uniform postage stamps were in use in the Bizone, the Soviet Zone and Berlin.

Other services approved during the past year included facilities for sending registered mail, receipt of delivery notices and a small packet service for sending parcels as regular letter mail. Special provisions were

approved for mailing parcels to German prisoners of war in France and Czechoslovakia and there was a significant expansion in the postal service between Austria and Germany by four-power agreement.

There was only one exception to the general trend of the past year toward lifting communications restrictions. By quadripartite decision the transmission of tobacco and tobacco products to Germany through the international mails was prohibited on Dec. 1, 1947, in view of their use on the black market.

SCORES of communications measures were under discussion at quadripartite level when all four power meetings were suspended by Soviet action on March 20. Approval had in many instances been reached on many of these proposals and only awaited implementing action by the Allied Communications and Posts Committee.

Because a minimum level of international service had to be maintained, even in the absence of a central Allied administration, mandatory correspondence with foreign administrations was carried on by the various Allied secretariat members, and international accounting continued to be done by the German staff under the rotating supervision of the Allied working party delegates.

The mere continuation of a minimum international communications service soon proved inadequate to the growing demands of the west German economy. Early in September 1948 a tripartite Provisional Posts and Telecommunications Commission, made up of US, British and French representatives, was established.

Within a month the new commission had taken unified action for the three western zones to reestablish outgoing and incoming international parcel post, resume postal and telecommunications relations with Spain and Japan, establish unrestricted outgoing airmail service for the trizonal area and to authorize an incoming international postal and telegraphic money order service. The French Zone had been virtually fused with the Bizone from the communications standpoint since April 1, 1948 when

(Continued on page 28)

German Politicians Observe US Elections

by **Louis Kelly**

Special Escort Officer

Civil Administration Division, OMGUS

THE QUIETNESS of the US elections, the accessibility of top political leaders, the democratic character of state universities and the great number of large automobiles were a few of the impressions four German political leaders brought back from a recent visit to the United States. The four made more than 70 official contacts, including conferences, interviews, broadcasts and meetings.

The four men, representing the two major political parties—Social Democratic and Christian Democratic Union—in the US Zone, left last October for a 30-day visit to observe the national elections and political and economic life in generally in America.

They were Dr. Werner Hilpert, chairman of the CDU in Hesse and Hessian deputy minister president and finance minister; Erwin Schoettle, chairman of the SPD in Wuerttemberg-Baden, Stuttgart publisher and member of the Bizonal Economic Council; Waldemar von Knoeringen, chairman of the SPD in Bavaria, and Ernst Mueller-Hermann, deputy chairman of the CDU, Bremen.

Arrangements for the trip were made by the Civil Affairs Division, Department of the Army, and the Civil Administration Division, OMGUS, which provided the escort officer. Many former Military Government officials, now living in the United States, personally assisted in making the trip a success, as well as State Department, newspaper, radio and political figures.

The trip took the delegates to many eastern and mid-west cities including Boston, New York City, Washington, Minneapolis and Detroit. Election day was spent observing the process of

an American election in Rochester, N.Y.

The first reaction of the Germans was surprise at seeing cities with no bomb damage. They also were impressed by the number and size of automobiles in the United States. A member of the party attempted to count them on a main street but finally gave up. In a broadcast later, he confessed he was particularly amazed at the size of the ordinary cars, remarking that in Germany such autos would be owned only by very rich people or officials of Military Government.

The accessibility of political leaders, even in the heat of the presidential

campaign, was a source of wonder and satisfaction to the Germans. Political figures were generous with their time in explaining the issues and mechanics of a national election.

The Germans remarked about the quiet way in which elections were conducted, adding that there seemed to be more excitement after election than before it was held, in contrast to elections as conducted in Germany. The fact that the election took place on a week day rather than on a Sunday seemed peculiar to them.

Generally, they were unwilling to comment either before or after the elections, saying they regarded this as an American matter and not some-

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Louis Wehle, Rochester businessman, shows the German political leaders a photograph of himself and President Truman shaking hands. Mr. Wehle entertained the Germans at his hunting lodge. (Left to right) Ernst Mueller-Herman (Bremen); Dr. Werner Hilpert (Hesse); Waldemar von Knoeringen (Bavaria); Mr. Wehle; Erwin Schoettle (Wuerttemberg-Baden), and Mr. Kelly, escort officer and author of this article.

(Photo by Campbell, Rochester, N.Y.)

thing about which they should express opinions.

However, they were in accord on the idea that it would be less damaging to their interests and to the workings of the Marshall Plan if there were no time lapse between elections and the day when the President and the new Congress took office in 1949. They regarded a Congress friendly to the Administration as favorable to European recovery.

On the subject of German recovery, they stated that as yet there were not too many signs of the workings of the Economic Cooperative Administration, but believed this undoubtedly was due to the fact that it had not yet emerged from the pipeline. On many occasions all the members said they based their hopes on a European recovery rather than merely a German recovery. Their sentiments indicated thinking along broader lines than might be expected, and did much to create a favorable impression.

NEWSPAPER INTERVIEWS were frequent and everyone in the party developed "flash bulb blindness" as a result of the many photographs taken. The newspaper interviews were not of first class quality, even though reporters were briefed beforehand on the background of each member of the party. Although at least three of the Germans had traveled extensively and, therefore, had seen cities of no small size, the visitors were continually asked their impressions about the tall buildings in the United States.

The reporters showed more interest in Ilse Koch (principal in the recent controversy over the reduction of her war crimes sentence), and whether the Germans were ready to take up arms against an enemy, than they were in German recovery or progress in setting up a stable form of government.

Probably the poorest interview was in Washington. Misquotes on the Russian situation were so common during the first few days that the Germans were very cagey afterwards and would make only the most conservative statements or refuse opinions altogether.

The attitude of the American people was friendly and helpful. This can be accounted for partly by the fact that the non-Nazi background of the group was stressed in a paper prepared and distributed beforehand to each person meeting the party. This fact also was given good publicity by the newspaper reporters, one of the helpful things that can be placed to their credit.

Particularly gratifying was the interest shown and the cooperation offered by former members of Military Government. Among these were Mr. Henry Parkman, who had been governmental administration adviser, CINCEUR, and director of CAD, OMGUS; Mr. Richard M. Scammon, chief, Political Activities Branch CAD; Mr. Seymour Bolton, Political Affairs Branch, CAD; Mr. William Kelmsley, Manpower Division, OMGUS; Dr. Carl Friedrich, governmental affairs adviser, OMGUS; Lt. Col. Robert Philpott, area commander, OMG Bavaria; Mr. Lawrence Dawson, formerly of UNRRA, now with the State Department; Mr. William Draper, Jr., Economics Adviser, CINCEUR and director of Economics Division, OMGUS, and now Undersecretary of the Army.

AFL and CIO officials, jointly and individually, were very cooperative in giving the visitors time and entertainment as well as explaining the part organized labor plays in the United States.

In Concord, Mass., they were very much impressed to learn that the head of the board of selectmen was a man who had not been born in the United States. Dr. Hilpert remarked that this gave him renewed hope that refugees and expellees could be absorbed into the German population to take their rightful place in the political parties.

Upon viewing a bullet hole from the Revolutionary War, carefully framed for posterity, Mr. von Knoeringen told the selectmen that if they were short of bullet holes in Concord, he would gladly ship them as many as they wanted from Munich, where they were badly overstocked.

The idea of a state university, where people of ordinary means are offered higher education, was revealing. They expressed great interest in

the setup of the University of Minnesota, contrasting conditions there with the difficulties of German students in obtaining higher education, excepting those favored either by wealth or family position.

All four of the group spoke at the faculty luncheon given by the president of the university, each reporting that he had learned information that could be taken back to Germany and used to advantage.

PERHAPS the two high points in the trip were Washington and Detroit. In Washington, they were impressed with the city itself, and with the people they met at the Pentagon and in the State Department.

In Detroit they visited the Ford plant at River Rouge. The plant employs about 90,000 persons and is delivering some 5,700 cars a day. To see a car start at one end of the production line as just a frame and emerge at the other end as a completed vehicle interested the visitors particularly.

Altogether, the trip successfully accomplished its purpose. There is no doubt that many impressions of the United States were corrected by the sights and the contacts these political leaders made. The visit should result in greater understanding and cooperation as they discuss with other Germans what they have seen of the organization and production of the United States. +END

Institute Established

An Institute of Public Affairs has been established by Military Government in Frankfurt to serve as a center for visiting professors, public officials and other experts who come to Germany as a part of the Military Government exchange program; a center for developing in-service training for civil servants; a distribution center for political and social science literature from the United States and other democratic countries; a reference and a research center in the fields of social sciences, public administration, and community organization; and a center to further the development of institutional services in the field of public health and public welfare.

Property Restitution

by **Edmund H. Schwenk**

Attorney, Legal Division, OMGUS

IF GERMANY is to regain her reputation among other civilized nations of the world it is imperative that losses inflicted upon persecutees during the Hitler regime be restored as far as is possible. For this reason, Military Government has enacted MG Law No. 59 under which about 65,000 petitions for restitution of identifiable property have been received by the Central Filing Agency.

Recently, the members of the Board of Review were appointed. They are: Judge Johnson T. Crawford of Ada, Okla.; Frederick G. Hulse of Monroe, N.Y.; Judge Meyer L. Casman of Philadelphia, and Capt. Peter J. Flanagan of New York City. Judge Crawford was named president of the board.

The board has its principal seat at Nuremberg, but it may sit at such other places in the US Zone as it may from time to time deem appropriate. It is the highest authority in all restitution matters arising in the US Zone.

Whereas the lower authorities, restitution agencies, restitution chambers, and Civil Division of the Germany Court of Appeals (Oberlandesgericht) are German, the board consists of four US citizens appointed by the Military Governor for at least one year.

Members are qualified for their office only if they have been admitted to practice law for at least five years in the highest courts of any one of the United States, its territories or the District of Columbia. Regulation No. 4 explicitly provides that they must devote their full time to their duties on the board.

The task of the newly-appointed members of the Board of Review is linked to MG Law No. 59, which they have to apply and construe. This law, in effect since Nov. 10, 1947, provides for the restitution of identifiable property taken from its rightful owners during the period from Jan. 30, 1933 to May 8, 1945 under

duress arising from discrimination because of race, religion, nationality, ideology or political opposition to National Socialism.

Originally, efforts were made to place restitution of property on a quadripartite basis. However, no agreement between the four powers could be reached. In the US Zone, the enactment of MG legislation was chosen. As MG Law No. 59 is to be administered by German governmental agencies and ordinary courts, the German text of the law is governing, although this is a departure from usual Military Government practice.

ALTHOUGH the basic principle laid down in MG Law No. 59 stems from US policy, the scope of restitution is determined by reference to provisions of German civil law. The Board of Review, though exclusively American, is therefore faced to a considerable extent with the task of applying and construing German law. In order to facilitate this task, the Board of Review is to appoint a legal adviser familiar with the German language and German law to assist the board members.

The jurisdiction of the Board of Review is limited. It may review decisions of the Court of Appeals as well as decisions of the restitution chambers. Decisions of the Court of Appeals are subject to review by the board only on the ground that the decision under review violates the law. Appeals from decisions of the restitution chambers may be taken with respect to the question of (a) whether findings of fact are supported by substantial evidence, (b) whether there has been abuse of discretion by the chamber and (c) whether prejudice on the part of the chamber is indicated.

Because different grounds are provided for an appeal to the Civil Division of the Court of Appeals and for review by the board, the aggrieved party may seek both appeal

to the Civil Division and review by the board. In order that the board should not review a decision before the Civil Division has entered judgment, the aggrieved party can file a petition for review by the Board only after the Civil Division has rendered its decision. Even though an application for review is properly filed, the board may, within its discretion, refuse to grant petition for review. This discretion is modelled after those provisions under which the US Supreme Court grants or refuses *certiorari* (request for permission to appeal). The decision of the board is final.

Once a petition is granted, the board may enter judgment affirming, modifying, or revising, in whole or in part, the decision reviewed, and order execution thereof; or, in its discretion, remand the case or any part thereof to the restitution chamber or the Civil Division of the Court of Appeals which had previously heard the case.

The opinions of the board, as far as they involve interpretation of MG Law No. 59, are binding upon all German courts and authorities. This notion of *stare decisis* (the binding effect of high courts upon lower courts or agencies) is a novelty in German legal experience. It was previously provided only in MG Proclamation No. 8, "Establishment of a German High Court for the Combined Economic Area" in regard to the decisions of the High Court.

A second novel principle is found in the fact that the Board of Review may render opinions not only upon a petition for review, but also upon request of the Military Governor if he deems such an opinion necessary or desirable in order to expedite the administration of MG Law No. 59 or to insure uniform application or interpretation of that law.

With the establishment of the board and the appointment of its members, the machinery for the execution of MG Law No. 59 has been completed.



Lt. Col. Blechare and two sisters present Christmas gifts to German children at a party held in the 98th General Hospital, Munich. Two hundred children were entertained

(US Army photo)



Santa Claus entertains children of German employees of the Office of Military Government, Hesse, at Wiesbaden. Santa was played by George Fleisher, Information Division, OMGH.

(PIO OMGH)



CARE packages donated by Indiana University students are distributed to Frankfurt University students by Dr. Franz Montgomery, Higher Education Chief, Office of Military Government, Hesse.

(PIO Hesse)



GYA donations for Christmas parties in Berlin. Robert A. Willard, commanding officer of Lt. Col. E. W. Hilton, BMP Special Services, BMP GYA officer.

Christmas

CHRISTMAS is a time for giving. Probably no better group example of the generous yuletide spirit could be found this past holiday season than that of the Americans in Germany. Giving took every form—from dolls to venison—as the military, civilians and their dependents remembered those less fortunate than they in communities all over the US Zone and Berlin.

Most Americans gave in two ways: to those Germans with whom they came in contact at home and at work, and to organized projects for German children, institutions and old people. Of the individual acts of kindness—small parties in American homes, gifts of specific items, remembrances from office workers to German employees—there is no count. But the number was high in the thousands.

Moreover, German children and grownups had an opportunity to see how Christmas is celebrated in the United States. In all 25 of the US Information Centers throughout the US Zone a 12-panel pictorial display was shown depicting "Christmas in America," including the decorating of city streets, carol singing and the holiday observance in



totalled \$18,243. In the above photo, Col. Philip J. O'Neil, in Military Post, checks the figures with Maj. Arthur C. Beck, who set up the shop, (US Army photo)

Parties

the American home.

Also shown were scenes tracing the common origin of American and Western European Christmas customs, and pointing out that the Christmas spirit flourishes not just in Germany but in countries all over the world.

Most organized Christmas projects were sponsored by German Youth Activities personnel to which Americans as well as Germans contributed. A large part of the proceeds was spent in bringing cheer to thousands of young Germans who have no direct contact with Americans in their daily life. Approximately \$242,380 and DM 39,905 were donated to these Christmas activities.

This money was used to give more than 3,482 holiday parties for a total of 1,534,082 German children. In addition, thousands of bars of candy, toys, clothing and other items were donated as gifts for German boys and girls at the parties.

All kinds of events were held to raise the money. Women's clubs offered dances, cake festivals and bingo parties. GIs arranged football games, lotteries, variety

(Continued on next page)



Members of the 759th MP Battalion in Berlin made thousands of toys in a wood-working shop established two months before Christmas. Maj. Arthur C. Beck, who set up the shop, inspects some of the toys. (US Army photo)



An "Operation Noel" sign is placed on a truck at Giessen. Every US military post in Germany helped the project. At right is Lt. Col. Jerry D. House, commanding officer of the 3rd TC Battalion. (US Army photo)



Charles M. La Follette, resigned director of the Office of Military Government, Wuertemberg-Baden, contributes to the OMGWB Christmas fund drive. Miss Katherine Shankland accepts donation. (PIO OMGWB)

shows and theatrical productions. Civilians and the military alike volunteered time to push contribution drives in units and in Military Government.

At the holiday parties, held in German restaurants, GYA centers, troop messes, kindergartens, orphanages and children's hospitals, children sang the traditional Christmas carols and some of their number usually presented a little program. German volunteers, women's organizations, German youth and GIs prepared and served the meals and distributed the gifts.

TO MAKE available certain items of food for these Christmas parties, the Quartermaster cooperated in every way possible. Extra cocoa was obtained in England to fill the demand. Regulations were relaxed to enable units to buy goods through authorized GYA personnel.

Foods purchased for children's holiday meals were powdered milk, marmalade, peanut butter, sugar and bread. In addition, thousands of pounds of food were contributed by people in the United States, sent usually in the form of CARE packages. Throughout the US occupation area a total of 427 tons of food was served in meals or distributed during the holiday season.

All contributed presents given out at the parties were sorted in advance according to age and suitability. They included toys, clothing, toothbrushes, toothpaste, soap, towels, combs and face cloths. Hundreds of the gift toys had been made or repaired by GIs and German boys and girls in GYA workshops. Thousands of articles of clothing were given away to the needy.

While many items were in good condition, others needed mending or repairing. This was done by a number of women's clubs and German girls in GYA sewing classes. Besides repair work, German girls in Hoechst made dresses, shirts, gloves, slippers, aprons, belts, knitted stockings and even playthings of bits of cloth and leather.

GYA girls in some groups ripped and dyed salvage GI trousers and

remade them into warm garments for children. Potato sacks were dyed and made into coats and vests embroidered in bright yarns.

PERHAPS no portion of the US area of occupation was so well remembered as that in Berlin where the Soviet blockade threatened to make Christmas the bleakest since the war's end. The comparatively small number of Americans in Berlin contributed \$18,243 so that more than 80,000 Berlin children would not be forgotten during the holidays. A total of 302 CARE packages was donated. People from outside Berlin sent \$1,330, making it possible to give more than 500 Christmas parties.

In Berlin mess halls, military men gave up ice cream for two weeks in advance so that boys and girls could have it at holiday parties. Enlisted men of the 279th Station Hospital pledged one day's pay to the Christmas fund. Military Police and engineer battalions made toys. American dependents mended, repaired and sorted contributed clothing. The office of the chaplain gave 400 dolls. Altogether, 11,000 toys were distributed at parties.

People in western Germany remembered Berlin, too; in fact, persons from as far away as Paris, London, Vienna, Stockholm and Copenhagen heard the Christmas fund appeals announced over AFN and sent money and gifts. Two of the largest drives in western Germany to aid Berlin children were "Operation Noel" and "Operation Santa Claus."

Every American military post in Germany contributed to "Operation Noel." Their gifts of candy, foodstuffs, toys, clothing and other items poured into Giessen where they were picked up by truckers of the 3rd Transportation Truck Bn. and brought to the unit's headquarters.

There the gifts were weighed and assembled for air shipment. The 50 tons of gifts from "Operation Noel" were distributed to thousands of needy Berlin children.

"Operation Santa Claus" brought 117 mail sacks of gifts to Berlin from Americans in the zone.

Other gifts were varied. From Wiesbaden Air Base came 500 pounds

of frozen rabbit meat which was presented to Berlin hospitals. And a wide variety of individually-contributed toys, too numerous to mention, helped brighten many a Berlin child's holidays.

ALL OVER the zone similar holiday activities took place. In Bremerhaven, the Christmas party committee collected donations of \$14,500 with which 17,000 children were given parties and gift packages including a toothbrush, toothpaste, soap and one toy as well as some items of clothing.

Frankfurt Americans donated \$85,000 to the GYA fund which resulted in the distribution of 75 tons of food to 200,000 children at 350 different parties. In addition to the food, many of the children also received items of clothing which were made by GYA girls or were given by the military and civilians of Frankfurt.

In Stuttgart \$14,000 was donated, and 34,457 children at 250 parties received Christmas stockings containing candy, oranges, soap, nuts, comb, toothbrush and toothpaste as well as items of clothing.

On Dec. 16 a community Christmas tree was dedicated in the downtown section of Stuttgart, officially opening holiday festivities. The dedication was attended by American and German officials while a choir of 300 mixed children's voices sang Christmas carols accompanied by the Constabulary band.

The sum of \$26,725 was received by the USAFE GYA from its fund-raising activities, of which Clarence the Camel played no small part. More than 765 parties were held in various USAFE installations at which 165,625 children were given various types of Christmas presents. Two of the USAFE installations served complete dinners for German children, using deer meat as the main course. The deer were shot by officers and hunting parties of enlisted men of the Kaufbeuren air force base.

In Munich, raffles, lotteries, carnivals and hunters' skill were combined by the Americans to provide Christmas cheer for needy Bavaria

children—regardless of nationality. About \$3,500 worth of candy was collected through Military Post efforts, the bulk of which went to refugee children.

Americans in Munich raised \$21,000 and planned 850 parties for 260,000 children. Approximately 58 tons of food were served at the parties. At the same time 25,000 toys were distributed.

GYA boys and girls of Harlaching visited a crippled children's home, taking presents to the inmates and entertaining them. The Lenggries Officers Club held a party on Dec. 20 for refugee children, and on Dec. 21, 22, 23 the Berchtesgaden GYA centers held parties.

GYA in Wuerzburg collected \$6,000 and DM 2,800, which made possible 210 parties for 80,000 children. Two tons of food were distributed and 24,000 toys were given away.

The German employes of the Wuerzburg Military Post gave up, during November and December, the fruit juice usually served in their mess and it was collected by GYA as a Christmas gift to children of refugee camps in Wuerzburg.

Many German groups held bingo parties and dances, contributing the proceeds to the fund. German craftsmen also gave freely of their time to make toys.

In Augsburg, \$8,500 was collected to entertain 100,000 children at some 500 parties. More than 22,200 toys were distributed and 30 tons of food

were served. Sewing, knitting and handicraft classes worked for two months in every county to make presents for poor and underprivileged children. Every county took care of at least 300 German children.

IN HEIDELBERG, more than \$10,000 plus 7,000 items of clothing, were donated. Heidelberg GYA assumed the task of providing for a total of 245,000 children throughout the Military Post. Individual military and civilian organizations obtained food and toys.

Americans and Germans in Wetzlar spread Christmas cheer by raising \$8,780 and DM 10,105 for 210 parties. More than 80,000 children were given presents. The wives of the officers of one organization gave a party for 70 children at which food, clothing and toys were distributed. The regular GYA party, celebrated with food and toys, was held Dec. 23. A movie of the "Night Before Christmas" was shown, Christmas carols sung and a Christmas play presented. + END

Bremerhaven Navigation School

The current enrollment in the Bremerhaven Navigation School is 48 students. The school is training young men for work on trawlers and other small-sized seacraft. Emphasis is placed on this field of navigation because, while there is a surplus of skilled personnel for the navigation of large ships, there exists a shortage of personnel trained in the handling of small sea-going vessels.

Weekly Record Set In Food Procurement

A record high in weekly food procurements for the Bizone was set when more than \$15,500,000 worth of contracts were signed with 16 other countries in Europe and the Western Hemisphere during the seven-day period ending Dec. 9, 1948, the Joint Food Procurement Office in Frankfurt announced.

More than \$9,000,000 worth of oils and oil seeds from Holland, Belgium, Norway and England, and Brazilian beef, Swiss and Italian vegetables and West African cocoa beans were contracted for bizonal delivery under general import and special JEIA trade agreements.

Vegetable and field seeds purchased from seven European countries, the US and Canada totaled about \$5,300,000 and foodstuffs procured out of unspent dollar funds which have accrued to the miners and general industrial incentive schemes added up to more than \$800,000.

Food procurements were made with Army-appropriated funds, under JEIA trade agreements, from dollar earnings of miners and other industrial groups, and, in the case of \$561,000 worth of livestock feed, from ECA funds.

\$32,000,000 In Exports

More than \$32,000,000 worth of Hessian commodities during the past year have found their way into the export markets of the world, it was revealed by the JEIA Branch of OMC Hesse.

Unemployment in Bizone Decreases to 704,500

Decreases in the number of unemployed in the Bizonal Area occurred during November 1948 and by the end of the month less than four percent of the total bizonal labor force was listed as being without work, the Bipartite Manpower Group announced in a preliminary report compiled from state labor offices.

By Nov. 30 the unemployment figure amounted to 704,500 (487,580 men, 216,920 women), which represented a decrease of 12,000 since

Oct. 30. Unemployment has decreased without interruption since the peak was reached Sept. 9, when 784,657 were registered as unemployed.

The overall decrease in unemployment has been confined to the US Zone both during November and since the peak figure was reached. Total decreases in the US Zone from Sept. 9 to Nov. 30 were 82,000, of which 20,000 occurred during November.

In the British Zone the overall un-

employment figures increased by 8,000. Accounting for a large number of these unemployed are (1) normal seasonal fluctuations, (2) power cuts and (3) dismissal of Reichsbahn workers in areas where other industries cannot immediately absorb them.

Meanwhile, the commercial, administrative, unskilled, and agricultural occupational groups account for almost half the total unemployed in the Bizonal Area, Manpower Group stated.

Golden Gloves

— German Youths Learn Sportsmanship

GLOVED FISTS, guided by the Americans, are helping German youth understand and appreciate good sportsmanship as it is practiced in democratic countries.

Under old German amateur boxing regulations, the average boy's hands were literally tied by red tape and other restrictions. For instance, he had to belong to a boxing club (no easy matter), approved by 15 or 20 various bureaus, before he was eligible to compete in a tournament.

But the current German Youth Activities program under which he competes requires only that the boy's ability be the deciding factor in a championship match. He is free to take part in any tournament.

Golden Gloves is a big item in the GYA program to reorient young Germans who have known little of the meaning

of democracy. As is the case in the United States, where the Golden Gloves championship tournament is the goal of every young amateur boxer who aspires to scale the fistic ladder, the idea has caught firm hold on many German youths in the US Zone.

The idea, which started in 1947 in several German communities through locally-sponsored GYA tournaments, was climaxed by an unusually successful US Zone championship show held in Munich last summer. Not only did it fire the imagination of the youngsters, but at the end of the

tourney many German authorities expressed the desire to join in the sponsorship and to continue it after the Allied occupations ends.

Approximately 5,000 Americans and Germans crowded into the Buergerbraeu Keller in Munich on the night of Aug. 5 to watch the final bouts of the championship tourney. They included officers and enlisted men of

mother generally has been to remain on the sidelines.

The spirit of good sportsmanship was unmistakably evident as winner and loser in each championship bout rushed from their corners to congratulate one another. One youngster, his arms around his defeated opponent and tears rolling down his cheeks, drew prolonged applause when he said it was a shame both couldn't have won.

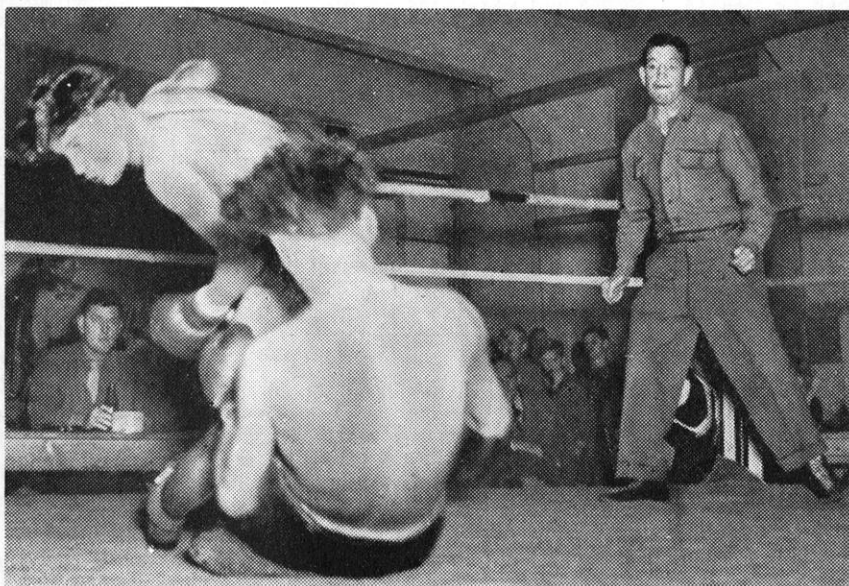
The championship contestants had been green kids who had taken to GYA and its sports program; sweat out long and hard battles in elimination matches, and earned the right to compete in the championship finals.

They were trained for months by M/Sgt. Clyde Hamlin, a former Golden Gloves champion from Bloomington, Ill., and M/Sgt. Ted

Rohr, the Munich Military Post's non-commissioned GYA officer.

Hamlin handled his boys in their GYA camp at Obie (Oberpfaffen Air Force Depot). The kids found it a bit difficult to understand some of the lessons he taught them, but they learned that being a gentleman was part of the boxing game. He called it sportsmanship. The kids liked it.

Rohr, a former captain who rejoined the Army as a "non-com" to work with the German kids, groomed his charges at the Buergerbraeu GYA Center in Munich. Like Hamlin, he had scrounged food, clothes and



The left hook thrown by Buchloe seems to have made the hair of Illner (down on his haunches) stand on end. But Illner rallied to win the decision in a GYA Golden Gloves elimination bout at Kaufbeuren Air Force Base.

(Air Force photo)

the Army and Air Force; Military Government officials, US dependants, Munich's mayor—Thomas Wimmer—and his sports-minded assistant, Dr. Anton Fingerely; the superintendent of Munich schools and chairman of the City Youth Committee, and other German officials.

An interesting sidelight was the fact that mothers of many of the contestants accompanied their boys from throughout the zone—hitchhiking, riding oxen cars and walking for miles—to watch the fights. This was something unusual in German life, for the role of the German



Oberpfaffenhofen divisional Golden Gloves champions, from heavyweight to flyweight, who competed in the USAF Golden Gloves championship matches at Starnberg, pose with their coach.

(Air Force photo)

other necessities to get them into shape, and they swore by him.

CONTESTANTS from outlying districts of the US Zone overcame many difficulties—mostly transportation and financial—to participate in the tourney. One boy from Darmstadt was able to fight only because the townspeople chipped in to pay his expenses and support his family while he was absent. Their faith in him was vindicated, for he won the title in his weight class and returned home laden with numerous prizes. Most of the prizes, donated by Americans, were food and clothing.

Fighters from the Roth Air Base suddenly found themselves without a military unit to support their GYA program, because of withdrawal and phasing out of troops which included the GYA officer and NCO. But they kept their club together and hitchhiked to Munich. One of them remarked that "We'll be back next year and take all of the prizes—and our GYA club will have more members, too."

Most of the boys had come from the wrong side of the tracks. They had been shy, suspicious youngsters, who knew only that American soldiers smoked many cigarettes and threw away large butts. But association with GYA personnel in the boxing tournaments banished suspicions and cultivated mutual friendship.

As an example of this feeling, an

Army medical officer was putting a patch on the swollen eye of an 18-year old boy, shortly after the Golden Gloves tournament ended. Hesitant, searching for English words, the youth said:

"Thanks a lot, Herr Doctor—I see you next year."

"OK, buddy, I'll see ya," replied the lieutenant.

+END

US Zone Admitting Sudeten Germans

Effective Jan. 1, Sudeten Germans domiciled in Czechoslovakia who desire to enter Germany to take up residence in the US Zone may do so by obtaining a Military Entry Permit issued by the military permit officer at the American Embassy in Prague.

Displaced Persons Branch, Civil Administration Division, OMGUS said this new procedure was inaugurated to facilitate the reunion of family units who became separated during mass transfers of Sudeten Germans to Germany in 1946.

Under the new procedure, appli-

cations for entry permits will be referred by the military permit officer in Prague through MG channels to the German refugee commissioner of the state to which the applicant plans to immigrate. The refugee commissioner, in turn, will refer the applications to the German authorities in the community where the individual anticipates taking up residence.

The issuance of a residence permit by such authorities, plus the approval of the state refugee commissioner, will constitute authorization for the issue of an entry permit.

Basis for Press Laws

— Conditions for End of Licensing

MILITARY GOVERNMENT has recently taken action to prepare for the end of its controls over the German press. It has announced that it will relinquish its licensing powers in the newspaper publishing field as soon as adequate legislation to protect the freedom of the press has been enacted by the state governments.

In 1945, when the occupation began, it was a major policy of US Military Government to guarantee to the German population an independent and free press. MG envisaged a press which would be free of governmental domination.

Yet, ironically, MG itself in 1945 found it necessary to exercise certain temporary controls. For example, there was a severe shortage of materials and equipment. So it had to be ensured that the limited facilities available would be utilized to the best possible advantage in effecting Germany's transition into a democratic society.

Many of the newspaper plants were in the hands of Nazis. The former publishers, editors and personnel of the newspapers had been the same persons who had been carrying out the policies of Goebbels's propaganda ministry. So Military Government set up a licensing system to place the newspapers in the hands of editors dedicated to giving the German people unbiased news coverage.

The German people have had the opportunity to judge for themselves whether these newspapers have done a good job, and to make a comparison with the controlled Nazi press which gave them such a false and distorted picture of the world.

Military Government set up the temporary controls in 1945 only because the unusual conditions prevailing at the time made them necessary. Military Government knew then that freedom of the press is essential to the development of a responsible democracy, and it felt strongly that such restrictions affecting freedom of

expression should be eliminated at the earliest possible moment. Military Government feels that that moment has come. And it has announced its intention of giving up its press licensing power.

BUT, one asks, what assurance is there that the real gains toward the establishment of a free and independent press made during the past three years will be maintained?

First, the new press in the US Zone will have a certain amount of security during the period in which it is still establishing itself. All of the community newspapers in the zone are guaranteed the opportunity to sign contracts enabling them to continue to use their present publishing plants at reasonable cost.

The term of these leases is five years, with a renewal option for another three years. It is considered that this eight-year period should permit the present newspapers to establish themselves on a firm financial basis. It should enable them to make preparations for building their own plants or purchasing other printing facilities.

These long-term leases on existing plants are the first assurance that an independent press will be able to survive in Germany after MG control ends. The second assurance is

that Military Government will not relinquish its controls until the state governments prepare adequate legislation to protect the freedom of the press.

It is therefore up to the state governments as to when press licensing in the US Zone will end. Military Government feels very strongly that this is a matter for the state governments, and that it remain outside the power of any German federal government as it is finally determined. It would be too easy for press legislation enacted by a central government to become restrictive instead of protective. The German people already have had bitter experience with a press controlled by the central government.

WHAT Military Government means by an "adequate" press law is not a law restricting the press, but rather a law guaranteeing the freedom of the press. According to the views of Military Government—and most people interested in press freedom will agree—there are at least six things which a good press law must do. These are:

1. A press law must outlaw any system of special licensing not required of all other business enterprises.

2. A press law must protect the press from governmental domination or domination by special interests of any kind. This does not mean that special interests—such as political parties or economic groups—should not have the right to newspapers of their own. It does mean that no special interest should have the opportunity to establish a monopoly which would deny the ordinary reader free access to unbiased news and the opinions of other groups.

3. A press law must guarantee the prerogatives of a free press in obtaining and publishing information of public interest. This means that no restrictions should be placed on the

(Continued on page 26)

This article is adapted from a radio broadcast given by an OMGUS spokesman on the subject "The End of Press Licensing in the American Zone." The talk was made Dec. 16 over RIAS and radios Frankfurt, Stuttgart, Munich and Bremen.

The transcription of a previous broadcast, "Freedom of the Press," to the people of the state of Hesse over the "Voice of Hesse" program was published in the Information Bulletin, Issue No. 150, Dec. 14, 1948.

EDITORIAL OPINION in GERMAN PRESS



The Berlin Elections

The Berlin situation including the municipal elections on Dec. 5, the Communist-sponsored rump government of Friedrich Ebert and new Soviet blockade measures, comprised a major portion of the top news in German newspapers of the US Zone during the first week in December.

The *Stuttgarter Nachrichten* called the election results "an expression of gratitude for the valiant men of the air bridge" and a protest against "the cowardly and inhuman blockade." It continued:

"Berlin has not been split through the legal elections The splitting-up began at the moment when the USSR tried to absorb Berlin into a Sovietized eastern Germany. The Red Bear (of Berlin's coat of arms) was to become the symbol for the enslavement of all of Germany We now can state that this offensive of hypocrisy and violence has been recognized and stopped. Justice lies with the West. Return to justice is the only way to end the split."

Die *Abendzeitung* (Munich) said: "The victory of SPD, and CDU's losses underline the general trend. The party which most decisively opposed SED (Soviet-backed Socialist Unity Party) terror triumphed. The lukewarm parties lost, especially the proponents of the ideas of Mayor Friedensburg Berlin hasn't tired of the struggle against terror. It places its trust in the men who mean to fight to the end."

Hans J. Reinowski in *The Darmstaedter Echo* wrote:

"They (Berlin voters) have shamed any inhabitant of the western zones who is afraid to express his opinion publicly because the Russians may come some day The Berliners expressed the will of all Germans under no circumstances to remain passive and neutral in the fight between East and West This obligates us all

"The elections also proved irrefutably how the people in the East

really think, while they have to keep silent under terror . . . 'Opernbuergermeister' (Opera Mayor) Ebert (the SED city government was set up in the state opera house) has done us a good service by declaring that Berlin is a part of the eastern zone. We might go a step further and say that it is a part of eastern Europe. All East European nations would vote like

Warning on Nationalism

The *Schwaebische Post* (Aalen) warned the Germans against reviving nationalism:

"The French reaction to the Anglo-American Ruhr proposals is a measure of what is thought of us abroad. The nationalist inclinations of the German masses has not yet taken very definite form. But as soon as a new 'Fuehrer' appears he will get a following which will put all power into his hands Extreme nationalism serves the cause of Bolshevism, which seeks to use the rivalries between nations for its own purposes The only way to meet this threat is to throw nationalism overboard. Only a united West Europe can defend itself against Russian attack We can remain good Germans, but must also get accustomed to being good Europeans."

the Berliners — if they got the chance."

The *Sueddeutsche Zeitung* (Munich) commented on the elevation of Fritz Ebert to SED mayor of Berlin:

"The method of the 'Volks Democrats' is nothing different from that of the Nazis; unanimity of election was guaranteed in advance just as in the Third Reich

In the Munich political weekly, *Echo der Woche*, political observer Erich Wollenberg wrote:

"When opposed by a dictatorship, the greatest and most wonderful

election is only a 'knife without a blade or a handle.' It is therefore a dangerous self-deception to regard the Berlin (election) victory as a 'decisive defeat of Soviet communism' as is now so generally done in the western democratic world Even after Dec. 5 Berlin remains a besieged city; the elections did not change that

"The western Allies must choose between Potsdam and the principles of the Atlantic Charter Berlin was not split with the formation of the 'Opera Government' on Nov. 30, but in fact Germany and Europe were split already with Potsdam and, before that, with Teheran and Yalta The political consequence of Dec. 5 ought to be the holding of general democratic elections under UN control in all parts of Germany, on both sides of the Iron Curtain, and within the boundaries of 1938."

The newly licensed *Heidenheimer Zeitung* pointed out that, "whatever the jarring note which may formerly have been connoted south of the Main by the name of Berlin, it now shines in fullest glory The moral greatness of Berlin should lead us to overcome group and provincial differences and to feel ourselves as members of a nation which has once more won the right to live. Young German democracy has withstood its baptism of fire, not in Munich or Bonn, but in Berlin."

Sentences Criticized

The *Stuttgarter Zeitung* criticized the sentences against Heinz Mokross and associates who were jailed by an MG court in connection with the Stuttgart riot a few months ago. The riot grew out of a demonstration over the high cost of living. The paper said:

"The punishment stands in no proportion to what could be proved against Mokross, but most of all to what happened in Stuttgart on Oct. 28. The consequences of those incidents — including curfew for the whole city . . . were unforeseen; one should

(Continued on next page)

not make an immature trouble-maker pay for it."

(Editor's note: Mokross and three other Germans were convicted on rioting charges involving attacks on US military and German police. He was sentenced to 10 years' imprisonment. The others received lesser sentences.)

The **Rhein-Neckar-Zeitung** (Heidelberg) asked: "Is the excessive punishment going to convince the defendants of the wrongness of their action? Will it not rather confirm them in the feeling that they are being treated unjustly? Will the sentence not also paralyze the will of the Germans to maintain good understanding with the members of the occupation power?"

The **Fuldaer Volkzeitung** drew a parallel between the Soviet MG sentences in the Brandenburg Gate case in Berlin last September and American MG sentences in the Stuttgart case:

"In both cases the offenses were insignificant, at least from a democratic standpoint. At any rate they would never have been so severely punished in a court governed by normal standards of justice. Both cases demonstrate the worthlessness of military judgments which consider only the interests of the occupation power."

The **Niederbayerische Nachrichten** (Straubing) said that anybody who reads the Stuttgart judgment "is immediately reminded of the sentences which a Russian court passed on the Berlin demonstrators last September . . . We are convinced that the sentence will be revised, just as the Berlin sentence was revised."

Playing to Galleries

The **Wiesbadener Kurier** accused the parliamentary council at Bonn of playing to the gallery in its demands on the occupation powers, thereby endangering German interests:

"It's a fine bouquet which was presented to (Generals) Clay, Robertson, Koenig! Besides such matters as patent protection, free foreign trade, reinstatement of international agreements . . . validity of constitutional rights even against the occupation, the Bonn gentlemen proposed arbitration courts for disputes between oc-

cupation and the occupied . . . But the last flower in the bouquet is the best of all — it reads: "The occupation powers are required to provide security for Germany. Emergency measures must have a time limit and be undertaken jointly." The 'wise virgins' of Bonn might as well have invited the Tommies, Jimmies and Jeans to join a German foreign legion . . . People like Carlo Schmid and Konrad Adenauer (delegates to the council) furnish ammunition to those voices abroad which complain ever more loudly of German 'arrogance' . . . Please remember, gentlemen, it isn't wise to try to kill too many flies with one swoop."

Rudolf Vogel, member of the German Bizonal Economic Council, gave his impressions of Bonn in the **Schwaebische Post** (Aalen):

"In many questions, in very, very many questions, the big parties here agree on committee proposals. Bonn, the Lord be praised, has created for itself an atmosphere different from Frankfurt . . . More than anywhere else I met here the type which is so rare in Germany, the type the British call 'scholar-politician.' Finely-modelled heads, a brilliant assembly of high-minded intellects, and in the suddenly developing discussions frequently a width of knowledge, an abundance of memories and historical information provide a rare educational chance for the press and the spectators, among whom there are, happily, many students."

Hof Youth Forum

The **Frankenpost** (Hof) carried two extra pages about an "Upper Franconian youth forum in Hof" which was addressed by Murray D. Van Wagoner, director of Military Government, Bavaria; James S. Clars, of

This section is devoted to translations prepared by the Scrutiny Board for the Information Services Division, OMGUS, of editorials and reports in the German press. The publishing of these translations is intended to portray what the Germans are writing und thinking, and not necessarily to give any concurrence to their views and opinions.

the Information Services Division; Michael Horlacher, president of the Bavarian legislature, and other Bavarian politicians.

The "**Frankenpost**" commented:

"Not one stupid word was said, asked, or answered during the two days; that was the deepest impression one got from the Upper Franconian youth forum. One saw and heard a wide-awake youth full of eager interest in all civic issues. This is very encouraging, though, of course, it was a selected group of young people . . .

"If the population could look into the windows of the government more frequently . . . respect for it would grow and many an unfounded criticism would remain unspoken. Government and people understand each other better directly than through the channel of the political parties."

Domestic Developments

Walter Tschuppik, editor-in-chief of the **Die Abendzeitung** (Munich) warned that "certain domestic developments in Germany have more far-reaching effects abroad than the German public realizes" and quoted a London **Times** article saying that "West Germany is less different from the Germany of 1940 than anybody might have expected four years ago":

"One of the conclusions which the **Times** drew from this is that dismantling must continue. Lacking positive evidence of a peaceful democratic Germany, the **Times** says, it will be wise to insist upon security measures. This is a clear warning addressed to Pied Pipers and their followers. Nothing can be gained by political adventures, but everything that has been salvaged from ruin can be lost."

War Crimes Film

The **Stuttgarter Zeitung** described the film "Nuremberg" which deals with the war crimes trials, and commented on audience reaction:

"One sees and hears the Nazi greats and one shudders with repulsion at the crimes and atrocities, for which all deny responsibility . . . The film is an eloquent piece of history in concentrated form, by which the most obstinate must be impressed. Unfortunately, it all comes a little late."

Outlook Is Bright for 1949

While this is not an easy task, even with agreement on principle we are making progress. Within the last few days, the details of Ruhr control have been worked out in London and submitted to the governments for approval.

The Military Governors have reached substantial agreement on the duties of a Military Security Board. They have submitted their views on an occupation statute to their governments. While these views are not fully reconciled, the divergences are few in number and may be expected to be reconciled between governments without material delay. The German parliamentary council is working at Bonn to produce the basic law or constitution for the western German government. With the occupation statute approved, we should face no major difficulty in obtaining tri-partite approval of the constitution. We are also progressing in developing the tri-partite organization for Military Government which must be effective when the western German government is established. I do not want to minimize the difficulties still ahead in reconciling the views of the three governments. I am sure that we are making progress and that with some "give and take" by all of us, we can develop a solution.

If there is any danger of war, should a German police force be armed in the west and if so, with what kind of arms?

General Clay: Our policy does not contemplate a large, centrally-controlled, and heavily armed police force. We are opposed to the creation of a police force which could become a military training school. We believe in police powers remaining in the several states with the size of the police force limited to local needs. We believe it should be armed only with light caliber revolvers and carbines. We also believe that central police powers should be strictly limited; perhaps to customs guards, a central criminal identification office; and a very small federal police force for the capital city.

How is the morale of the United States Army in Germany? How can you keep it from deteriorating?

General Clay: I am proud of the United States Forces in my command—soldiers, airmen, sailors. Their standard of appearance, conduct, and discipline is the best I have seen in more than 30 years of service. Their morale will not deteriorate. They know that they have an important mission, that they represent their country abroad, and they are proud to accept these responsibilities. Tactical troops are in constant training, spending approximately six months of the year in the field. I think our people at home can be proud of them.

Perhaps some statistics can tell the story. Our incident rate, which includes minor offenses which would only be so listed in an Army, as well as major offenses, has dropped to 0.76 per thousand from 1.23 per thousand a year ago. Our court-martial cases are at an all-time low. Our re-enlistment rate is at an all-time high and in the 1st division, over 37 percent of those with enlistments expiring by 30 June of next year (1949) have already reenlisted or extended their service. Moreover, those young men representing us in Germany have this Christmas held Christmas parties for 1,534,000 German children.

Our men are working hard at their duties, during the day. They have all types of athletic facilities, club rooms, libraries, pool and bowling facilities, and educational opportunities at their disposal. They also can take trips to delightful rest areas at relatively low costs. Don't worry about their morale now or later. They are soldiers, airmen, and sailors in all that these words imply and I simply must repeat here I am proud to command them.

Is Germany recovering perceptibly?

General Clay: German recovery since currency reform and with the psychological uplift of the European Recovery Program has been amazing. Since June, its productive output has increased from 50 percent of 1936 to 75 percent, which is actually an increase of 50 percent. Exports which a year ago totalled a little over \$200,000,000 for the 12-month period

are now exceeding a \$700,000,000 annual rate. Consumer goods are available in the shops. New building is evident everywhere. The people are back at work and hope for the future is discernible in their new attitude to life. However, I do want to point out that there is still a long road ahead to self-sufficiency. The German recovery still lags far behind general western European recovery and is still a drag on recovery. Moreover, the deficit between imports essential to life and exports being borne by the United States during the present fiscal year exceeds \$1,000,000,000. While this deficit will be substantially less during the next fiscal year, there will remain a large deficit for several years. If the burden on the American taxpayer is to be lifted; if Germany is to regain self-sufficiency, it must push forward with full vigor to increase its productive output.

Are we succeeding in our original efforts to democratize and demilitarize the German nation?

General Clay: This is a difficult question to answer and I think largely because it is too early to know the answer. Physically, Germany has been completely demilitarized. It has also experienced the full horror of defeat in total war. This has certainly dimmed the military flame in German hearts. However, only time can tell whether or not the military spirit which dominated Germany for so many years is dead. It is for this reason that a Military Security Board is required to detect and to recommend preventive measures if this spirit does return.

In democratization, we have installed the democratic processes and the guaranties of personal liberties which make democracy have meaning to the individual. The German is witnessing first-hand the oppressive measures of totalitarianism in comparison with the measures of the occupying forces representing the western democracies. However, the German is still subject to alien military rule which, at best, cannot be a good example of democratic government. He, as yet, has no government of his own above the state level and no national forum. Under these

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conditions strong democratic leadership is difficult to develop. Moreover, the people cannot feel their power to control and influence government.

I do believe we have made progress, particularly in the field of local government. There are many sincere Germans working in this field. I have hope for the future but I know that only time will tell the final answer.

What are the prospects for the coming year in Germany?

General Clay: They are bright in western Germany for progress both politically and economically. Increasing ERP aid will stimulate production, the establishment of western German government will generate healthy political activity. However, there are limiting factors, such as the shortage of electric power which will curtail major production increases. There will still remain a large deficit to be borne by the United States if recovery is to continue. Nevertheless, the year ahead should bring to the Germans a greatly improved standard of living in comparison with the past three years since their surrender.

How do you feel about the accomplishment of the past year?

General Clay: It has been a year of substantial progress, particularly in the economic field. Politically, it was marked by the decision to go ahead with western German government to permit at least as large a portion of Germany as possible to have a large measure of self-responsibility. I think the German press, radio, and education have made more progress to becoming truly free institutions than we now realize. + END

Sale of Perishable Merchandise

The firm of Wibrus AG Concessionaire has been granted a license permitting the sale within the German economy of perishable merchandise which had been imported for the US Army Exchange Service and which the latter organization had not accepted. The Wibrus firm was authorized to sell such products within the US Zone of occupation at the established German legal prices and to employ the proceeds for the payment in Deutsche marks of its legitimate expenses within the country.

MG Urges Better News Evaluation

Col. Gordon E. Textor, director of the Information Services Division, OMGUS, in a message delivered to US Zone publishers comprising the cooperative news agency, DENA, claimed that United States and Military Government news is not receiving equal treatment with news from other sources.

The ISD director said that although the desire for objectivity outweighs any desire that MG news be given favored treatment, "I do suggest that in the editorial evaluation of news the mere fact of the occupation in this specific zone not be counted as a factor which will give the occupier less consideration than is given to others."

Curt Frenzel, chairman of the DENA board, told publishers at their two-day annual meeting that never before

in Germany has such a freedom of news existed as is exemplified by DENA.

"We want to give our readers accurate information on all measures of the four occupation powers," he said. "In the handling of this news it is not up to us decide whether a particular news item does not suit us or an occupation power.

"In sticking to this objective line," Frenzel continued, "we will substantially contribute to narrowing the cold war and to bringing conditions back to normal."

It is DENA's duty, Frenzel emphasized, to remain objective in the ideological conflict between East and West and it is "jumping to conclusions if the use of factual news stories is interpreted as anti-American sentiment."—*ISD News of Germany*.

(Continued from page 22)

Basis for Press Laws

activities of newspaper reporters seeking news in the public interest. A reporter must be free, without fear of reprisals, to gather and print news unfavorable even to government officials—as long as the news is objectively and truthfully presented.

4. A press law must guarantee that there be no arbitrary interference by the police or other administrative bodies in the free flow and dissemination of news and printed matter.

5. A press law must specifically exclude the revival of honor courts, press chambers or other forms of organized press control exercised by the Nazi regime.

6. A press law must prohibit censorship or control of the content of news except through legal process in the event of a violation of existing laws regarding libel, defamation, fraud, indecency or breach of the peace.

Underlying all of these points is the strong belief that no new set of restrictive government controls over the press should be established at any time after Military Government gives up its temporary controls.

Some people have already expressed fears that when Military Government

gives up its controls, extreme reactionary elements will be able to publish newspapers and propagate again the doctrines of hate developed by the Nazis.

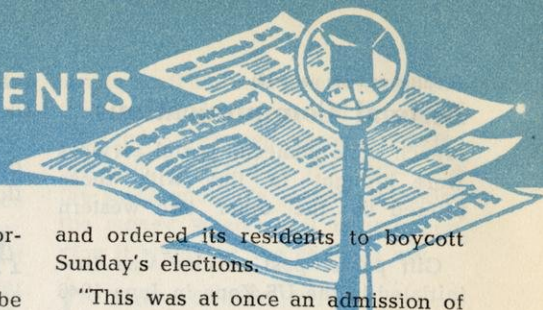
It is true that this danger will exist in Germany as it exists to a certain extent in any free society. This danger can be met only by, first, the strength and vitality of the independent press, and second, by the good judgment of the German people. In the long run, a strong, independent press can exist in Germany only if the people—the newspaper readers—prefer and support such a press. + END

Regulations Relaxed

German publishers of books and magazines in the US Zone will be required to use only the regular commercial imprint in their future publications, the Publications Branch of the Information Services Division, OMGUS, announced.

MG regulations previously required publication of license information, author, biographical data and exact edition size in every book and periodical. Henceforth only the customary imprint containing the publisher's name, location and year of publication will be required.

PRESS and RADIO COMMENTS



The Berlin municipal elections held in December have evoked widespread editorial comment in US newspapers. The editorials generally agreed that the vote was a resounding repudiation of communism and that it topped a record of rejection wherever men have been free to express their real preferences.

While acclaiming the Berliners in the western sectors who defied Soviet threats and obstructive tactics, the editorials saw in the election further evidence of the split between the Western Powers and the USSR. Almost without exception, editorials interpreted the election results as increasing the obligation of the three Western Powers to stand firm in Berlin, whatever the cost.

The New York **Herald Tribune** said in part:

"The result was one of the historic elections of our time. It was historic because, out of the innumerable elections, plebiscites and demonstrations of recent years, it was almost the first in which the issue between communism and western democracy was fairly and fully joined in men's minds.

"There were neither police nor 'action committees' to control the outcome. There was no question here of voting for 'just a little bit of communism' in order to correct the worse social failings of capitalistic democracy. Each side in Berlin knew (as other constituencies have not always known) that the vote was for keeps.

"Soviet communism used all the means that are available and natural to it—propaganda, threats, starvation, the curiously ruthless device of opening the east sector factories on Sunday—in order to make it impossible for their west sector workers to vote. The reply was interesting; it was a four-hour transport strike. We are very familiar with 'Communist-inspired strikes aimed at the destruction of capitalist order. This was a direct use of the strike weapon by

the workers to repel the ugly dictatorship of Soviet totalitarianism.

"Its implications will not quickly be forgotten...

"The Berliners knew what was at stake; they knew what freedom and the franchise meant, and from out of their ruins they have returned an answer which, because of its very sources, is perhaps the greatest moral defeat that the Soviet Union has ever suffered."

The Washington **Star**: "The election was essentially a protest by the Berliners themselves against the arbitrary and illegal action of the Communists in setting up a city government in defiance of the municipal constitution which prescribed the holding of elections for the renewal of the regular city administration...

"Unfortunately, while democracy has won a victory, it has by no means won the war. Indeed, the immediate result of this election and its fake Communist predecessor will presumably be to sharpen tension between the East and West over Berlin. This is implicit in the memorandum sent by the Western Powers to the 'neutral' committee of the United Nations which has been trying vainly to find some basis for East-West negotiation over the Berlin issue.

"The memorandum points out that the Communist regime set up in the Russian Sector is the latest of no less than 51 Russian actions since last June, all contrary to agreements between the occupying powers. And it warns that those actions render a genuine settlement of the Berlin problem virtually impossible unless Moscow alters its illegal and arbitrary policy."

The Pittsburgh **Post-Gazette**: "The municipal elections were conducted only in the three western sectors of the city. Sensing a crushing defeat, the Communists had, in their finest tradition, set up an illegal government of their own in the Russian-controlled eastern sectors of Berlin

and ordered its residents to boycott Sunday's elections.

"This was at once an admission of Communist weakness and further evidence that Russia will be satisfied with nothing less than complete domination of Berlin and, ultimately, of all Germany. The Russians were fully aware that, had they been given the opportunity, the residents of their sector would also have rejected communism. They dared not put their system to the test in a secret ballot."

The Cleveland **Plain Dealer**: The result indicates the average German's dislike for the political piffle peddled by Moscow. It is also a key to the actual size of Communist votes in those countries under Soviet military occupation but where the results are always announced in an overwhelming figure for the Kremlin's stooges."

The Detroit **Free Press**: "Sunday's election in Berlin gave 'Uncle Joe' (Stalin) something new to put in his pipe and smoke... The Communist task not only in Germany but in France and Italy and elsewhere in western Europe has been made more difficult. The demonstrated ability of the Soviets to make themselves unpopular raises a question, which reaches even to China, as to how long, if they take over other countries, they can retain control of them.

"They have never learned the first lesson on how to make friends and influence people. They have brought upon themselves only hate and ridicule wherever they have stepped beyond their Russian borders."

The St. Louis **Post Dispatch**: "There were no Communist votes because the Soviet boycotted the election and refused to enter candidates.

"This tactic of obstruction, however, did not save the Communists from the clearest kind of repudiation at the polls... Had every non-voter marked his ballot for Communist entries, the Communist total would have been even below the 16 percent of the Liberal Democrats." + END

Bizonal Communications

French Zone domestic postal services were brought in line with those offered by the other two western zones.

Gift parcel post service was first initiated in the US Zone in June 1946 in response to popular demand on the part of Americans for a direct means of sending relief supplies to friends and relatives in Germany. Limited originally to packages from the United States, the international gift parcel service had been extended by Jan. 15, 1947 to all four occupation zones, with incoming packages of food, clothing and medical supplies accepted from all countries with which Germany maintained postal relations.

BETWEEN June 1, 1946 and Sept. 30, 1948 more than 190,000 tons of gift parcels with an approximate value of \$270,000,000 had been delivered in Germany. Sixty-six percent of all packages sent were to recipients in the Bizone and US and British Sectors of Berlin, and about 80 percent of the total bill had been paid for by US citizens.

November 1947 was the peak month for gift parcels, with subsequent gift parcel receipts showing a steady decline, presumably because of rising living costs in the United States coupled with the gradual betterment of German economic conditions.

The economic significance of this tremendous volume of voluntary overseas relief was recognized by the Economic Cooperation Administration, which incorporated in the ERP program for Germany special provisions to encourage this type of aid. Because postage fees accounted for almost 25 percent of the total cost of sending a relief parcel, transportation and delivery fees within western Germany are now paid for jointly by the zone or sector of delivery and ECA, reducing the US postage price to 10 cents a pound.

In order to expedite gift shipments, air express gift parcel service from the United States to the US Zone was inaugurated in January 1948. A second air service for gift parcels from the United States to Germany went into

effect May 1, whereby packages for delivery in the three western zones were flown to Frankfurt; those addressed to Berlin and the Soviet Zone flown directly to Berlin.

A less known fact about the Deutsche Post is that communications is the only German operation today which functions at little or no expense to the occupation authorities or the German taxpayers. Not only is the Deutsche Post a solvent concern, but it even provides an important source of revenue for the German states and has for many months been a steady source of dollar earnings for the German economy.

Americans stationed in Germany, for instance, spend over \$300,000 a month on their personal telephone calls and cables, all of which are handled by the German network.

During the first six months of 1948, Deutsche Post revenue mounted steadily until it was running at a yearly rate of over RM 2,000,000,000, a figure well above the total Reichspost income for all of Germany in 1937. Last year it contributed more than RM 200,000,000 in state taxes to the budgets of the Bizonal states, RM 50,000,000 more than the tax paid by the Reichspost for all Germany in 1937.

Four million new depositors opened postal savings accounts in 1947 and the post check service maintained in the Bizone that same year was larger than it ever had been in all of prewar Germany.

The Deutsche Post will contribute approximately DM 200,000,000 to the bizonal budget during 1949. Additional money will be raised through special stamp issues.

The swollen pre-currency reform revenues of the Deutsche Post had proved largely useless since it was impossible under the conditions then existing to replace badly-needed capital equipment. The Deutsche Post was furnishing as high as 150 percent of prewar service with only 70 percent of prewar facilities.

The US Army originally helped out by contributing a large quantity of supplies and equipment from surplus army stocks. Thousands of improvised mailbags were manufactured from

surplus army tentage to permit handling the mail. January 1948 saw the first allocation of bizonal lumber to the German postal administration and during February JEIA approved the establishment of a \$25,000 fund to cover the purchase of vital automotive parts from neighboring countries.

WITH the appearance of essential materials on the open market since currency reform, and the increased availability of labor, substantial progress on construction projects was made possible for the first time.

While no ERP imports have been specifically earmarked for postal use, the Deutsche Post has indirectly benefited from the receipt of ERP raw materials in the Bizone, since the purchase of new vehicles, tires, tubes and spare parts is now possible.

The German communication network, by virtue of its strategic position in Europe, is a vital factor in the further development of intra-European trade under the Marshall Plan. By Oct. 1, 1948 more than 16,875 miles of telephone circuits connecting various European cities passed through Germany. Nineteen cities in Europe are connected by telephone circuits transiting Germany; 11 cities by international telegraph circuits. Germany has direct circuits to 15 cities in Europe and is the terminal point for 63 international telegraph circuits. +END

Under German Law

Poppy capsules, from which morphine can be extracted by special process, will be placed under German opium law by state ordinances, according to a resolution of the Narcotics Subcommittee of the US Zone.

Dealers in dried poppy capsules will be required to have special licenses to cultivate the plant for seed, and collecting agencies will be allowed to deliver the capsules only to firms in possession of a license for the manufacture of morphine.

The German opium law applies to opium and opium derivatives, whereas the crude opium stage is by-passed in the processing of poppy capsules for direct extraction of morphine.

Operation Better Kids

directed by an international committee of educational authorities who would study the relative merits of the long and short type of Gymnasium program. The German point of view on this issue has been based largely upon tradition and personal opinion and judgment.

The proposed research project would furnish a basis of facts upon which to determine relative merits of the two plans. It may be presumed that if the research study is established, during the experimental years both types of Gymnasium program would be conducted. This idea of a research study is impressive to the Germans in meeting their objections.

AS WOULD BE EXPECTED, the type of community in which a public forum is held determines the emphasis given to the different phases of school reform problems. In sections predominately rural in character, vigorous objection is usually raised to the proposal for extending compulsory full-time school attendance from eight to nine years because farmers feel that this extension will cheat them out of needed labor by their children. This is the third of the major issues previously distinguished and for this issue the supporting arguments can be reviewed as follows:

1. Recent experimental research in Bavaria has further confirmed the fact that through special training in scientific agriculture, production by pupils working on their own lands can be increased as much as 25 or 30 percent. Therefore, by introducing the subject matter of scientific agriculture in the ninth grade of the extended school program, especially in the schools serving rural areas there is an immediate economic advantage, contrary to the belief of farmers that by losing the labor of their children there will be an economic loss.

2. It is characteristic of farmers at the outset to voice their objection to an extension of compulsory education and such has been the case in all countries of the world. But with the advantages of this extension realized, farmers endorse the program and

would not change back to the old system.

3. Heretofore, farmers have given two years or more of their children's time to the state for military service with but little complaint. Is it, we say, too much to ask that they give part of their children's time for one year for their own enrichment and advancement through education? Actually, schooling during the ninth year will leave much time for the children to do chores at home before and after school hours and during vacation periods.

The foregoing argument, incidentally, was first advanced by a German participant in one of the forum meetings and repeatedly it has received the hearty endorsement of the various audiences when used.

4. The extension of compulsory education for the ninth school year like other aspects of school reform involves a long-time program and will be attained gradually with ample time in which to make necessary adjustments.

With the recent announcement in Bavaria of the compromise agreement on the subject of free tuition and free textbooks, questions pertaining to those points have been materially reduced. However, occasionally someone will still state they see no reason why the children of wealthy parents should have free tuition and free textbooks. Answers to such a challenge can be quite convincing to the people.

These explain that the only way to insure equal educational opportunities will be to break down absolutely all barriers. Since there are 1,500,000 children in Bavaria, it is impossible to avoid mistakes in determining those who should not pay under the plan of charging fees according to the ability of the parents. Every time a mistake is made, the life of a child is adversely affected and his usefulness to the state is impaired. These mistakes cannot be afforded especially when there is one other and better way to distribute the load according to the ability of parents.

Military Government, too, agrees that the wealthier parents should pay the heavier load and recommends the method of taxation as the means of

seeing to it that such parents do pay the larger share. In other words, Military Government recommends the principle of taxation, not tuition, as the most equitable means of taking the money wherever it is and spending it wherever the children are.

IN THIS CONNECTION, the people should be reminded that to charge tuition on the basis of the economic status of parents produces among little children feelings of inferiority and superiority, so sensitive are they to such remarks as "Your father can't pay, but my father can."

The proposal to improve the training of teachers and to equalize salaries on the basis of training and experience has thus far provoked no expression of criticism. It does not seem difficult for Bavarians to recognize the fairness of this phase of school reform.

In almost every audience there have been one or more German leaders who have insisted that school reform is not a program of Military Government. They have boasted that these plans have been advocated by German leaders for 25, 50, 75, and, one man said, 100 years. This is true.

It is important that the Germans realize that school reform is not a project for Americanizing the German system. They should know that their own progressive leaders are saying that Military Government is only giving them a chance to overcome the ultra-conservatism of the past and to do for their children what has long been desired by Germans for Germans.

They should understand that school reform is now underway in most of the countries of the world and that it involves universally-held principles for improving the general welfare of nations and for promoting world peace through education. +END

YMCA Group to Meet

The executive committee of the Young Men's Christian Association (YMCA) will hold its first regular annual meeting in Germany since the war, next July at Mainau Castle, on Lake Constance, property of the late Count Bernadotte and now an international institute for youth education.



QUESTIONS and ANSWERS

Why does Military Government insist that police functions be administered by state police rather than local police?

As a matter of fact, Military Government does not insist that police functions be administered by state police rather than local police. Quite the contrary is provided by Military Government regulations concerning the police.

One of the major emphases of Military Government policy is upon the decentralization of the police. To achieve decentralization it is provided that appropriate German governmental authorities will be required to establish and maintain police forces in towns of 5,000 population or more. Towns of less than 5,000 population may, if it is so elected, also maintain a police force. These community police forces are completely under the administrative responsibility, control, and supervision of the community officials, i. e. the mayor and the appointed police chief.

The state police are responsible for safety and order in rural areas and in towns of less than 5,000 population which have not established police forces of their own. The state police organization is under the administrative control of the state government, specifically under the ministry of the interior. The state police do not have any jurisdiction within the area of a community which has established its own police, unless specifically requested by the governing officials in that community to furnish assistance.

Another aspect of MG policy which might be emphasized is the deconcentration of police power, particularly in connection with functions formerly carried on by the Administrative Police (Verwaltungspolizei). These functions relate to housing, building, forest, economics, railroads and many other aspects of government. Under MG policy this type of

administrative function has been separated from the executive police and assigned to appropriate branches of the civil government. The use of the word "polizei" in connection with such activities is forbidden.

The police are restricted to the function of maintaining safety and order and the detection and prevention of crime. (OMGWB/Handbook)

* * *

Why are displaced persons permitted to emigrate and Germans and expellees not?

Some expellees are eligible for migration. Most expellees, however, are essentially a part of the German population by law and legally are in their homeland. DP's are unsettled and should be disposed of before others. (OMGWB)

* * *

The Scandinavian countries have been anxious to sell fish to the Bizone. These countries are a traditional source of fish for Germany. Could not something be done to restore this trade for the mutual benefit of Germany and Scandinavia?

Under recent trade agreements concluded by the Joint Export-Import Agency with the governments concerned, the Bizone is due to receive \$4,000,000 worth of fish from Denmark, \$16,000,000 from Norway and \$3,000,000 from Holland. It is recognized that these countries can and wish to sell their surplus fish to the Bizonal Area and JEIA is doing everything possible, in coordination with the Joint Food Procurement Board, to increase procurement within the limits of availability of funds for this purpose. (JEIA)

* * *

Is Military Government taking any steps to unfreeze money from hidden sources to get it into the banks to be lent to refugees?

The Bavarian government has promised a \$10,000,000 guarantee for refugee credit. However, this is merely a guarantee of credit. The refugee must first find a bank which will lend

him the money. Because the banks lend money which belongs to depositors, they must be careful that the borrower is a good risk. There are a lot of refugee industries which are marginal and the banks will not give them loans because the goods have no future. However, in the final analysis, lending money is the function of the bank and they must be able to lend as they wish. (Fin Adv, OMGB)

* * *

Why are the little Nazis heavily penalized and the big Nazis allowed to go scot-free?

This question is a misleading one. It is a phrase commonly used by most Germans when an individual in their community is found in a group lower than they would personally want him found. If the above question were entirely true the blame would rest on the German people themselves, because they fail to testify against respondents at trials or public hearings, but they wait until after the decision to voice opposition.

The statement is not entirely true because many Nazi leaders have met their death and hundreds of others are facing long periods of internment for their Nazi activities. It is also to be remembered that since 1945 thousands of Nazis and members of criminal organizations have been interned, or removed and excluded from positions of influence, thereby receiving a degree of punishment which was not experienced by the so-called "little Nazis." (OMGWB). (See *Information Bulletin* articles "Denazification Nears Completion," Issue No. 146, Oct. 19, 1948, and "Are There 'Good' Nazis?" Issue No. 37, April 15, 1946.)

* * *

Does an American under 16 have to have a hunting license or can he hunt without a license in the presence of someone who has a license?

In the presence of a license holder a person under 16 can hunt without a license of his own. (OMGB)

Delivered ECA Goods Total \$68,000,000

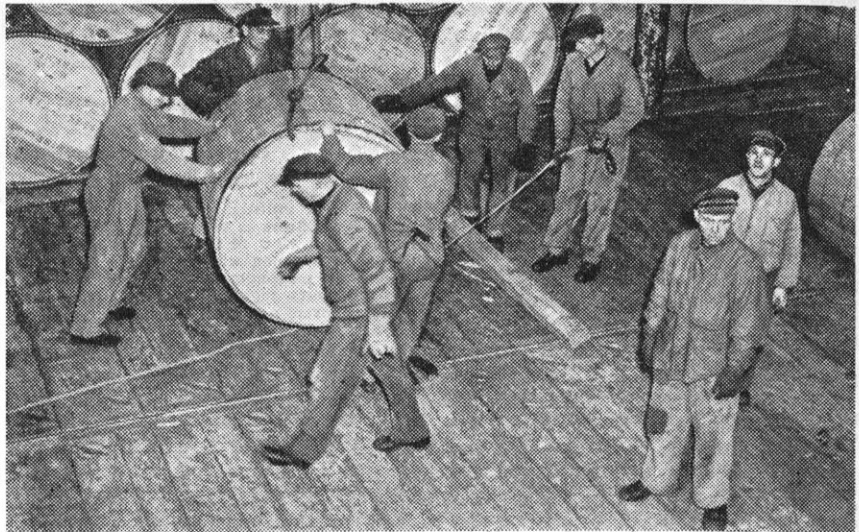
Foodstuffs and agricultural supplies purchased by the Economic Cooperation Administration and delivered in the Bizone during the first three-quarters of the 1948 bizonal recovery program had a total value of \$68,000,000, the Bipartite Food, Agriculture and Forestry Group announced last Dec. 16. This was an increase of \$20,000,000 over the amounts reported for Nov. 15.

Of the \$106,500,000 worth of food items requested for the Bizone under the ERP program, ECA has authorized the procurement of food and agricultural commodities totaling \$99,600,000. Contracts have already been signed or firm commitments concluded on \$99,200,000 worth of food and agricultural items approved by ECA for bizonal purchase.

Desecration of Churches

Bavarian state police, investigating reported desecration of Christian churches and cemeteries, found that children had pushed over tombstones and had painted swastikas on a church wall. From the nature of the cases, it appeared that the thefts of many items from the churches do not represent a wave of anti-Christian sentiment, but rather the robbery of articles which apparently have black market value.

Largest Tobacco Shipment Arrives



Unloading the tobacco from Flying Independent at Bremen.

(US Army photograph)

The largest tobacco shipment ever made to postwar Germany—5,300,000 pounds—arrived in Bremen in mid-December aboard the American freighter *Flying Independent*.

Representatives of Bremen guilds, unions, trade associations and key figures in the German tobacco trade took part in a dockside ceremony at which the following officiated: Norman H. Collisson, chief, ERP mission to Western Germany; Bremen Senator Gustav Wilhelm Harmssen; Osborne M. Taylor, chief, Resources Division and economic adviser to the director,

OMG Bremen; and Bertrand Clark, chief, Bremen office, JEIA.

The tobacco was purchased by JEIA in the United States with funds made available by ECA and the US Department of Agriculture. In all, about 50,000,000 pounds have been obtained at a cost of \$18,000,000.

Boycott Hurts Soviet Paper

As a result of the Berlin news vendors' boycott, the official Soviet German-language newspaper, *Die Taegliche Rundschau* (The Daily Review), lost heavily in circulation.

Excerpts Taken from Official Instructions

Denazification Proceedings

Whereas in the past there has been some confusion concerning the proper jurisdiction and venue of denazification proceedings between the French and US Zones of Occupation, the finality and effect of findings and decisions already rendered, and the transfer of various persons wanted for charges in one zone or the other, it is agreed that hereafter such matters will be handled by German authorities upon their own responsibility in accordance with Control Council Directive No 38 and the following principles.

1. Jurisdiction and Venue.

The jurisdiction of Tribunals established under laws or regulations promulgated in implementation of Control Council Directive No 38 and the venue of proceedings before such Tribunals shall be determined by:

- The domicile or residence of the respondent;
- The place where the respondent has been active during the Nazi regime;
- The place where the respondent is detained in interment pending trial; or

d. The place where property of the respondent is located.

2. Validity of Final Decisions in other Laender of Either Zone.

a. If a final decision has already been made by a Tribunal having jurisdiction in accordance with paragraph one, such decision shall be accorded full faith and credit in other Laender of either Zone, and the respondent shall be entitled to plead such final decision as a complete defense and bar to a subsequent proceeding brought elsewhere under laws or regulations in implementation of Control Council Directive No 38. In the event that two or more decisions have been rendered involving the same respondent by Tribunals having jurisdiction in accordance with paragraph one, the earliest decision shall be considered valid unless set aside in accordance with subparagraph b below, and later decisions shall be considered invalid.

b. If the authorities of other Laender in either Zone possess material evidence which was not available to or used by the Tribunal in the place where the final decision was

rendered, such evidence may be forwarded for the purpose of reopening or setting aside such decision, but the respondent shall not otherwise be subjected to another proceeding if the original Tribunal had jurisdiction in accordance with paragraph one.

c. The Laender of either Zone shall mutually enforce sanctions imposed as a result of final decisions by Tribunals of other Laender insofar as such sanctions are authorized under their own laws and regulations.

3. Transfer of Venue in Cases Involving Major Offenders or Offenders.

a. It is recognized that venue of proceedings should be set at the place where evidence is most easily available and the respondent is best known, and that conflicts between Tribunals having concurrent jurisdiction and venue should be avoided to the extent possible. Accordingly, where the authorities of one jurisdiction are in possession of evidence warranting a finding of Major Offender or Offender, the authorities of the jurisdiction in which a respondent is located

(Continued on next page)

will transfer venue of the case upon request unless a final decision has already been rendered or equally serious charges are pending or contemplated in the jurisdiction in which the respondent is located.

b. If a final decision has been rendered, the authorities of another jurisdiction may forward the evidence in their possession and request the Tribunal which rendered the final decision to consider reopening and setting aside its decision. If after considering such evidence, the Tribunal sets aside its decision, transfer of venue may be made in accordance with the provisions of the preceding subparagraph. Thereafter, the authorities of both jurisdictions shall make all evidence available for presentation at the subsequent proceeding wherever the venue may be set.

c. The setting of venue in a jurisdiction other than that in which the respondent is located shall not involve the compulsory transfer of his person in custody unless an interlocutory order or warrant for his arrest has been issued.

4. Delegation of Responsibility to German Denazification Authorities.

a. Each Zone Commander shall delegate complete authority and responsibility to German denazification officials of the respective Laender to implement and carry out this agreement. Military Government will not interfere in any respect save in exceptional cases where overriding security considerations are involved which might be jeopardized by the compulsory transfer of a respondent in custody from one jurisdiction to another.

b. Negotiations between German denazification officials of the respective Laender shall be directed through their own channels and the use of Military Government channels for the interchange of information and evidence, the transferring of venue in particular cases, or the securing of certified copies of decisions, will not be required. — Attached to OMGUS letter AG 383 (CA), Dec. 15.

Filing of Tax Returns

1. All taxable American personnel (military and civilian) in this command are required by law to file final income tax returns for the year 1948 and to pay the amount due thereon before 15 March 1949. (This means final return and payment must be in the hands of the collector for the district concerned by that date.) However, individuals who were required to file declarations of estimated tax for 1948 may file their final returns with the payment of the final installment on the 1948 estimated tax which is due on or before 15 January 1949. If a taxpayer files his annual return for 1948 on or before 15 January 1949, and pays in full the tax shown to be due, such return will serve in lieu of an amendment to a declaration previously filed.

2. Taxation of income other than specified in subparagraphs a and b, below, will be accomplished by the payroll deduction tax

plan. Declarations of estimated tax for the year 1949 and the payment of the first quarterly installment thereof are required to be in the hands of the collector for the district concerned by 15 March 1949. Such declarations and quarterly payments will be required from those individuals (military and civilian) whose:

a. Gross income can reasonably be expected to exceed the sum of \$4,500 plus each exemption including the taxpayer's, or

b. whose gross income from sources other than wages can reasonably be expected to exceed \$100 for the taxable year and whose gross income is expected to be \$600 or more.

3. It should be borne in mind that the pay (base pay, longevity pay, flight pay, overseas pay, etc) of enlisted personnel and of commissioned officers is taxable for the year 1949. However, in view of the fact that the payroll deduction tax plan will be applied to the pay of military personnel, it is believed that only a small percentage will be required to file declarations of estimated tax for the year 1949.

4. Assistance in the preparation of income tax returns is a function of legal assistance under the supervision of the staff judge advocate. It will be the responsibility of major commanders to provide assistance within their means to personnel in the preparation of their income tax returns and to insure that proper publicity is given to the plan set up in each command for the rendering of such assistance. The services of tax consultants from the office of the Commissioner of Internal Revenue have been requested for a period of 75 days for the purpose of instructing selected personnel who will assist in the preparation of income tax returns and advise personnel in the command. It is not known whether such request will be favorably considered. Upon receipt of advice from the Department of the Army on this matter, further information will be published.

5. Upon receipt of 1948 and 1949 tax forms NYPE, initial distribution of income tax forms will be made from the EUCOM Publications Depot, APO 757, to staff judge advocates throughout the command. Requests for additional forms should be made by requisition upon the EUCOM Publications Depot, APO 757.

6. It is desired that major commanders bring this matter to the attention of all affected personnel. — EUCOM letter AG 012.2 GPA, Dec. 6.

New MGR Section

Effective this date (Dec. 16, 1948) Part 6, Section A of MGR Title 5 "Legal and Penal Administration" is amended by the addition of a new Section, MGR 5-603 entitled "Commitment of US Civilian Sentenced by MG Courts" and reading as follows:

5/603.—/ Commitment of US and Allied Occupation Personnel Sentenced by MG Courts.

The provisions of this section apply to the sentence and confinement of US and Allied Occupation Personnel as defined in par 5d, SOP 96, Headquarters, European Command, 16 March 1948.

5-603.1.—/ Places of Commitment.

a. Females sentenced to terms of confinement not exceeding 1 year, whose sentences have not been suspended and who have not been released on bail, shall be confined as prescribed by Headquarters, European Command, pending disposition of the case by the reviewing or appellate authority; thereafter, with respect to any unserved or unremitted portion of the sentence they shall be confined as follows:

(1) US Nationals—In the New York City House of Detention for Women or elsewhere as the Secretary of the Army shall direct.

(2) Non-US Nationals—In such place as may be directed by Headquarters, European Command.

b. Females sentenced to terms of confinement exceeding 1 year, whose sentences have not been suspended and who have not been released on bail, shall be confined as prescribed by Headquarters, European Command, pending disposition of the case by the reviewing or appellate authority; thereafter, with respect to the unserved or unremitted portion of the sentence they shall be confined as follows:

(1) US Nationals—In the Federal Reformatory for Women, Alderson, West Virginia, or elsewhere as the Secretary of the Army shall direct.

(2) Non-US Nationals—In such place as may be directed by Headquarters, European Command.

c. Males (US and Non-US Nationals) sentenced to terms of confinement not exceeding 6 months, whose sentences have not been suspended and who have not been released on bail, shall be committed to a post level confinement installation as prescribed by regulations of Headquarters, European Command.

d. Males sentenced to terms of confinement exceeding 6 months, whose sentences have not been suspended or who have not been released on bail, shall be committed to the European Command Military Prison pending final disposition of the case by the reviewing or appellate authority; thereafter, with respect to any unserved or unremitted portion of the sentence they shall be confined as follows:

(1) US Nationals—In the United States Disciplinary Barracks, Fort Hancock, New Jersey, or elsewhere as the Secretary of the Army shall direct.

(2) Non-US Nationals—European Command Military Prison, Mannheim, Germany.

5-603.2.—/ Sentences of Military Government Courts.

Sentences of Military Government Courts shall conform to the requirements set forth in MGR 5-603.1.

Power of the Reviewing Authority.

If upon review or appeal or in pursuance of the exercise of any power of commutation or clemency any sentence of confinement shall be reduced so as to bring the prisoner into a different category for confinement purposes from that originally fixed by the trial court, the sentence and commitment shall be appropriately modified and amended to conform to the requirement set forth in MGR 5-603.1.

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Commitment of US and Allied Occupation Personnel Sentenced by MG Courts (Advance Copy of Change 8 to Military Government Regulations Title 5, "Legal and Penal Administration."), AG 014.12 (LD), OMGUS, 16 Dec. 1948.

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Reciprocal Legal Aid, AG 014.13 (LD), OMGUS, 20 Dec. 1948. Gives revised list of consular representatives as of Dec. 1.

Christmas Messages, AG 335.18 (AG), OMGUS, 20 Dec. 1948.

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OCCUPIED AREAS OF GERMANY



Towers of the Soviet-controlled Radio Berlin are shown after being blown up near Tegel airport, in the French sector. French authorities said the towers were a menace to airlift planes using the new Tegel airport. (US Army photograph)

