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GERMANY LOOKS AT AMERICA



WEEKLY INFORMATION BULLETIN



UNITED STATES ZONE, GERMANY

Greater Hesse, Wuerttemberg-Baden

MILITARY GOVERNMENT



WEEKLY INFORMATION BULLETIN

COPIES OF OFFICIAL INSTRUCTIONS LISTED IN THE WEEKLY INFORMATION BULLETIN
MAY BE OBTAINED BY WRITING DIRECTLY TO THE ORIGINATING HEADQUARTERS

OFFICE OF MILITARY GOVERNMENT FOR GERMANY, U. S.
CONTROL OFFICE APO 742 U. S. ARMY

OFFICIAL INSTRUCTIONS

American Red Cross – Travel and Billeting Priorities	AG 230.42 GDS-AGO 10 Jan 1947, USFET
Tours and Services of the American Express Company, Inc	AG 531 SSP-AGO 10 Jan 1947, USFET
Packaging of Household Goods for Movement within the Theater and to the United States	AG 524.2 ENG-AGO 11 Jan 1947, USFET
Payment of Per Diem for Temporary Duty	AG 245 GAP-AGP-B 21 Jan 1947, USFET
Control Council Law No. 43	AG 010.6 (ED) 24 Jan 1947, OMGUS
Gasoline Ration Allocations for the Month of February 1947	AG 462.7 GDS-AGO 24 Jan 1947, USFET
US Army Facilities and Accommodations in the European Theater	AG 620 GAP-AGO 26 Jan 1947, USFET
Reduction in Telephone Facilities	AG 311.3 (AG) 31 Jan 1947, OMGUS

Copies of Official Instructions listed in the **Weekly Information Bulletin** may be obtained by writing directly to the originating headquarters.



Signal Corps Photo

GERMANY LOOKS AT AMERICA — The picture on this week's cover shows a German girl looking at the latest American fashions in a popular American magazine provided by the US Information Center in Frankfurt. The operation of the information center is a function of MG's Information Control.

MG SERIES

Suggestions and questions on the current series of articles on the functions and operations of Military Government in Germany are welcomed. Any reader connected with the US Occupation Forces may offer suggestions to clarify and elaborate on parts of the published articles. Specific and constructive comments are desired. Letters should be addressed to the Weekly Information Bulletin, Control Office, OMGUS, APO 742, US Army.

This series, which started in last week's issue of the WIB, is to be continued for five weeks. After that, it is hoped that the series will comprise a complete, informative picture of Military Government as it is currently operating, and will be of sufficient value to be combined into a single volume for general reading and reference. It is to this end that the suggestions and questions of MG personnel are invited.

The individual articles are prepared by ranking personnel of the divisions and offices directly concerned. The articles scheduled for next week's issue concern the Internal Affairs and Communications Division and its branches: Communications, Public Health, Public Welfare, Education and Religious Affairs. One other branch, Public Safety, will be included with the articles for the fourth week of the series.

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INFORMATION



CONTROL



Press, publications, radio, films, theater, music — all are among the sharpest tools to reach the German mind and convert it to a more democratic way of thinking. To reorient these informational services along free lines was the immediate aim of MG when Germany was occupied. Since then, responsibility gradually has been given to politically cleared Germans, teaching them to appreciate and safeguard these institutions as an expression of free thought.

Ever since the promulgation of Military Law 191, which outlawed all Nazi-operated or dominated news media in Germany, German informational services have been starting operations again either directly under the Office of Information Control, OMGUS, or under its supervisory control and guidance.

Their revival has been rapid. For example, on 1 January 1946 there were 23 licensed German-language newspapers in US-occupied areas of Germany, while on 31 December 1946, the number had jumped to 44 such newspapers. Additionally, DENA (Deutsche Nachrichten Agentur), formerly DANA (Deutsche Allgemeine Nachrichten Agentur), the German news service, was licensed on 26 October by MG and turned over to the then 81 publisher-licensees of 41 newspapers as a German-owned, cooperatively-operated news agency. Subsequent licensees become members of the association under equal conditions.

When DENA was licensed, American press control officers shifted from a policy of pre-

transmission scrutiny to post-transmission examination of the news file. Licensing gave additional responsibility to DENA's editorial management, with the US press control staff maintaining a measure of watchfulness to determine that MG policies and directives were carried out.

Along with the expanding German-licensed press, OMGUS Press Control Branch established second, or competing, newspapers in such principal cities as Berlin, Kassel, Frankfurt, Munich, and Stuttgart. This procedure—limited only by the critical shortage of newsprint, supplies, and trained personnel—followed MG's policy of building a free, democratic, and non-monopolistic press.

Greater freedom for the licensed press was provided by Policy Instruction No. 3, which gave newspapers the right to use the services of foreign news and publishing agencies and to quote from foreign radio stations. Information from these sources may be used with certain restrictions: That the news does not contain Nazi or militaristic propaganda or any material tending to incite riot or disorder, or malicious criticism of Military Government and the Allied powers. The press also has been given increased editorial responsibility by the Allied Control Authority Directive No. 40.

NEW SOURCES OF NEWS

Other MG news sources are opening up. Recently German press and radio correspondents for the first time were permitted access to US press centers and other army installations for news material. Early in 1947, authorized German correspondents were given permission to attend press conferences of the Deputy Military Governor.

To coordinate all their work and discuss problems as they arise, German publishers' associations in the Laender—which act as effective instruments for the strengthening and improvement of newspapers, DENA, and the publishers' relations with Military and



Three German correspondents of US licensed newspapers covering the Nuremberg trials read the latest news developments from a teleprinter supplied by Information Control. Signal Corps Photo



journalism bore fruit in the excellent coverage of the Nuremberg war crimes trials before the International Military Tribunal. Accounts of the historic proceedings were climaxed by the first newspaper extras since the beginning of the occupation.

Perhaps the highest praise for any US Zone newspaper has been won by "Die Neue Zeitung," the official MG publication. When the newspaper celebrated its first anniversary on 18 November, General Eisenhower gave it high praise saying that the paper is fulfilling its mission of reorienting the German people along democratic lines. Not the least of the publication's functions is its example to other licensed newspapers of smart editing and reporting. Published in the Munich plant which once produced the infamous Goebbels journal, "Voelkische Beobachter," the new MG publication has instituted an American-type editorial page and

(Left) Two German civilian employees of "Die Neue Zeitung" monitor foreign news broadcasts; (below) German compositors setting up the pages of the "Frankfurter Rundschau." Signal Corps Photos

German governments — took the first steps to form a joint zonal committee. The publishers likewise actively participated in drafting proposed press and licensing laws. In Bavaria, publishers and newsmen hope to raise newspaper standards with a recently-established school of journalism where practical writing courses are given.

To obtain a free flow of news among the four zones, the Allies reached an understanding on a quadripartite level for the exchange of news agency files. Subsequently, understanding agreement was established on a tri-zonal basis for the exchange of newspapers and correspondents with the French and British Military Governments. The British agreement was implemented, but implementation of the French accord awaits settlement of the Saar question.

Constant training of German reporters and editors in the American method of factual





Socialism dictated, the Germans are eager for news of all kinds.

This thirst for information also is reflected in the field of books and pamphlets. And as the publications industry expands, MG hopes to orient it away from Nazi ideology, thus leading the German people to think and act democratically. Under this program, ACA Order No. 4, Confiscation of Nazi Literature, has been successfully executed, and licensed publishers must see to it that the works of only politically suitable authors are printed. All books and magazines upon publication are scrutinized by German employees under supervision of Land Publications Control officers, assisted by officers of Intelligence Branch, ODIC.

Many projects have been completed. Although book and magazine paper production is short of requirement by some 3,000 tons (at least 50 percent) per quarter,

(Left) American personnel check the makeup of "Die Neue Zeitung;" (below) the staff of the US Information Center in Bamberg looks over some newly-arrived American books. Signal Corps Photo

modern methods of factual reporting.

Like the licensed newspapers, however, "Die Neue Zeitung" was hit by the newsprint shortage and cut its circulation from 1,500,000 to 1,200,000. Similarly, publishers of displaced persons newspapers and gazettes were allocated less newsprint. But in spite of curtailment of electric power, the critical coal shortage, and a 10 percent forced reduction in newsprint, the US Zone papers have maintained relatively good press schedules and met the newsprint cuts through a choice of reducing circulation or cutting the number of pages per issue.

These papers and "Die Neue Zeitung" have a combined circulation exceeding 5,000,000, a distribution which could easily be many hundreds of thousands more if the demand for news among German readers was met. Deprived by the Nazis for 12 years of reading anything except what National



this shortage has the effect of restricting paper to high priority publications. Continuing efforts are being made to increase the allocation of paper to Information Control, and donations of paper by nationals of other countries are encouraged. But in spite of this shortage, at the end of 1946, 1,941 books and pamphlets had been published and 255 periodicals were in distribution. There were 286 licensed publishers and 9,168 registered book dealers, printers, and lending libraries.

INTERZONAL EXCHANGE

As in the news field, some progress has been made in interzonal exchange of publications. The British Zone exchanges material freely with the US Zone, and exchange has been agreed upon in principle with the French Zone. A depository library (Deutsche Bibliothek) has been established at Frankfurt to contain all German publications in the Western Zones since the occupation. The library is thus useful as an exhibit of publications for domestic and foreign buyers. The staff produces a current bibliography of the publications received and makes systematic reviews of publishers' programs.

Publications Control Branch of ODIC has specific re-education duties to perform, and in line with these are the continuing development of US Information Centers, which numbered 16 as 1946 ended. These centers, modeled after the US information libraries scattered throughout the world, are a valuable source of knowledge for German scholars, scientists, students, researchers, and the general public. They have a total of 40,620 books to which new titles are added regularly.

To give German readers a wider field of selection, translation rights to American books have been sold to German publishers. Additional American reading matter was provided through US Treasury Department licenses permitting importation and sale of US magazines, including Newsweek, Time, and Life. These are sold in Germany for blocked marks. Additional magazines, includ-

ing Omnibook and Reader's Digest, are expected to make their appearance in the near future.

To give Germans the full story of the Nuremberg trials, many phases of the proceedings have been published, including Justice Jackson's three prosecution speeches before the International Military Tribunal, the court's verdict, and several Nazi documents used as evidence by the Allied prosecution. The Nuremberg documents, in photostat or typewritten form, have been placed in a depository at Nuremberg (later to be moved to Heidelberg University) for use by German scholars or historians.

Military Government reaches the German people directly through another outlet similar in purpose to the official newspaper "Die Neue Zeitung," but wholly different in form. This is the magazine "Heute" (Today) published in Munich by the Publishing Operations Branch, Information Control Division, Office of Military Government for Bavaria. Fashioned somewhat after the magazine Life, "Heute" presents a balanced reading diet of American, world, and German news and pictures. With a circulation of 400,000 it has won wide favor for its contents and objectivity.

Military Government has two other official publications, the "Amerikanische Rundschau," (American Review), with a circulation of 110,000, and "Neue Auslese," (New Digest), with a circulation of 250,000. This latter magazine is a joint British-American project.

MG-CONTROLLED RADIO

German citizens in US-occupied areas of Germany have another and equally important source of news and ideas in the five radio stations controlled by Military Government in the US Sector of Berlin, Bremen, Stuttgart, Frankfurt, and Munich. While their prime purpose is projection of America, their programs offer a balance of material ranging from news broadcasts and political discussion to finding of lost German children.

All stations emphasize official United



Students at the US Information Center in Frankfurt listen to a lecture on American literature.

Signal Corps Photo

States policy as it applies to international relations and to Germany. Pronouncements by the President, Secretary of State, or other important US or German occupation officials are invariably highlighted.

To further the democratic processes of self-government, the stations follow faithfully a schedule of frequent political broadcasts, allotting the various parties equal opportunity to present their cases before the people. Likewise, some stations have introduced "Town Meetings of the Air," permitting German government officials as well as ordinary citizens a chance to express their views publicly.

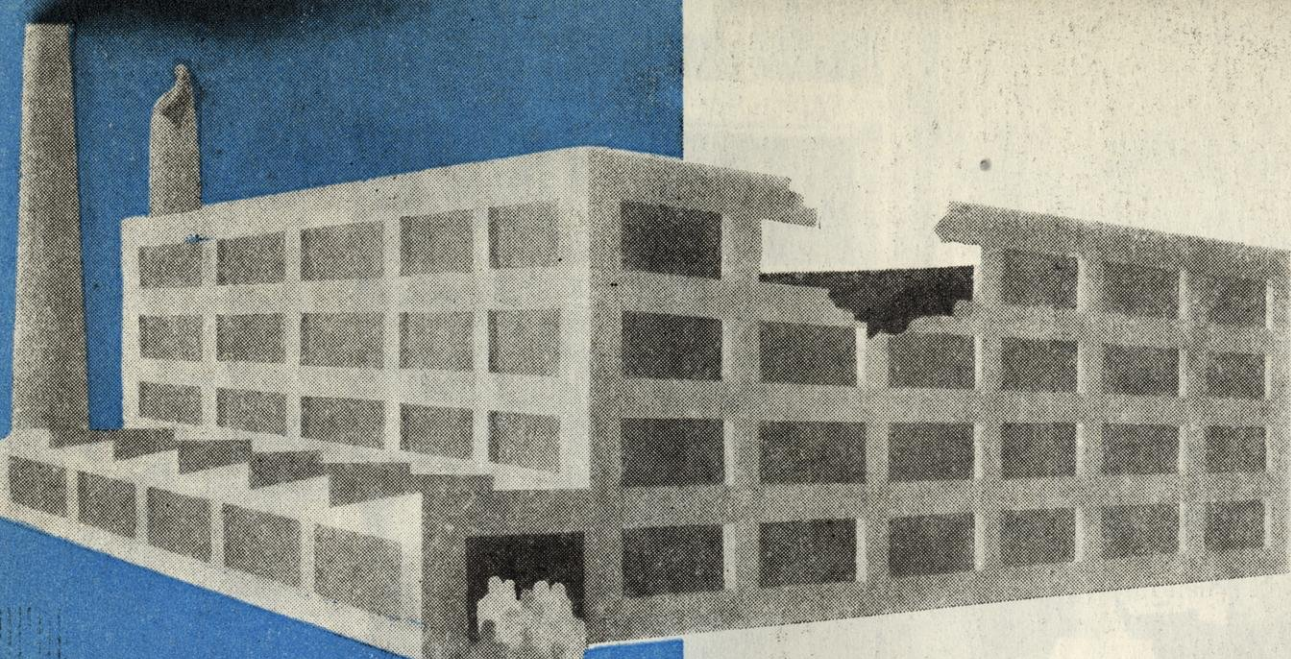
In its general program of helping to re-orientate the German people, Radio Control Branch of ODIC has been operating two

Schulfunks, or schools of the air, over Radio Stuttgart and Radio Frankfurt. These broadcasts are designed to accomplish two purposes: To help offset the critical shortage in textbooks and properly trained teachers, and to provide a modern media of instruction in a variety of subjects, ranging from German and world history to science and biography.

Following the practice pursued in the German press, these radio stations demonstrate to German listeners the value of factual and objective reporting of local, national, and world news. Considerable time also is devoted to commentaries on contemporary problems, particularly by German governmental officials and representative political leaders.

MG teaches democracy not only by spe-

(Continued on page 35)



MANPOWER DIVISION

The Manpower Division, with a finger in nearly every industrial activity within the US Zone, operates with a small staff on a scale much wider than that of the Department of Labor in Washington.

Some people may erroneously think "Manpower Division" means an agency which handles personnel matters for Military Government. Actually, its problems are exclusively those of German labor. Policy matters are the primary concern of the Division, for practically all the operating functions are delegated to the German labor and social insurance offices established in the US Zone during the past one and a half years. The Division gets its work done by direct supervision of the German labor agencies or, indirectly, by operating through the Regional Manpower Offices in each Land. In this way, the Manpower Division can be sure that German agencies are following democratic Allied policies.

The Manpower Division has five main responsibilities. First, German labor must be used to further Allied objectives. This means that military demands and essential needs of the German economy must be given primary consideration, that workers must be trained for peacetime industries, and that unemployment must be reduced. In carrying



self-governing bodies.

And finally, available housing space must be distributed so as to prevent disease and unrest. This includes repair and construction of workers' housing, maintenance of construction standards, and establishment of a priority system for allocation of housing space.

The Manpower Division's authority for carrying out this work comes from the Potsdam Agreement, the Joint Chiefs of Staff Memorandum 1067/68, Military Government Regulations Title 15, and quadripartite legislation, as embodied in the various Control Council laws, directives, and orders.

The structure of the Division is simple. In addition to the secretariat and the administrative offices, it is divided into five branches: Manpower Allocation; Wages, Labor Standards and Housing; Labor Relations; Social Insurance; and Reports and

(Left) A German worker at the Opel automobile factory in Russelheim; (below) a woman employed by the Lorenz Radio Co. in Berlin. The supervision of their working conditions is a responsibility of the Manpower Division.

Signal Corps Photos

out these objectives, the Division encourages the use of incentives and decent methods of placement rather than the Nazi-like methods of compulsion.

Second, democratic principles must be observed in industrial relations and in the forming of trade unions.

Third, German workers must receive wages high enough to maintain decent living standards within the limits set by Allied policy; wages must be adjusted in unfair cases and for the purpose of encouraging problem industries; wage changes must not produce inflation; and — for reasons of health and efficiency — there must be satisfactory working conditions in German industries.

Fourth, German agencies must adopt uniform social security provisions for workers and their dependents, organized on a Land basis under the administration of democratic;





German workers receive voting papers for shop steward elections as democratic methods of handling labor-management questions are restored to US Zone factories and offices.

Signal Corps Photo

Statistics. A field office operates with each of the Offices of Military Government in the Laender, the US Sector of Berlin, and Land Bremen. The Manpower Division of OMGUS has complete responsibility for all quadripartite negotiations affecting labor in Germany as a whole and for all policy matters affecting the US Zone. The regional offices in each of the Laender carry out these agreements and policies.

The **Manpower Allocation Branch** is responsible chiefly for developing and checking on the administration of manpower allocation policies. The routine work of the labor offices, in which the Germans have complete administrative responsibility, does not concern this branch. But it maintains a close contact with the labor offices on all labor matters arising from occupation policies.

Changing economic conditions must be met and undemocratic restrictions and preferences must be eliminated. Manpower must be used wisely. This is achieved by constant review and revision of manpower controls in accordance with MGR, Title 15. German Land Governments are required to continue the system of mobilization, registration, and allocation of all manpower that existed during the war but with the elimination of all discriminatory practices and regulations related to race, creed, nationality, or political opinion. Under the current practice, all men between the ages of 14 and 65 and all women between the ages of 15 and 50 inclusive are required to register with the labor office nearest their residence.

At present, the Allocation Branch has the job of deciding upon a zonal policy for using the great number of physically-handi-

capped and partially-employable persons. Employment, unemployment, and labor requirements in Germany as a whole must be analyzed and a general Allied policy developed for transferring German workers to other zones and countries to meet specific manpower requirements.

As industry is reconstructed along new industrial patterns, workers need training and retraining to satisfy changing skill requirements. They must then be apportioned throughout the Zone according to the needs of the German economy and the occupation forces. These problems are of special interest to the Manpower Allocation Branch. Recently, in two industries where there were dangerous labor shortages, the Branch took action to make more manpower available for the repair of railway rolling stock and for work in the coal mining industry.

Inspection is perhaps the most difficult

job of the Allocation Branch. The work of the German Administration must be examined regularly to see that it carries out Control Council laws, orders, and directives, and MG regulations. Until recently, this task was done by the regional manpower officers, but with the limited size of staffs in the field, the Allocation Branch is devoting more time to enforcement and investigation of labor shortages and misuse of available manpower in the field.

The Wages and Labor Standards Branch develops policies for controlling wage rates and income, for regulating hours and conditions of work, and for reviewing protective labor legislation. It also is responsible for forming a policy for allocating housing space, maintaining construction standards for new housing, and stimulating building and repair of damaged housing space.

In the field of wages, the Standards

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Allocating housing space for workers whose homes have been wrecked like the multi-family unit pictured above is a responsibility of officials of MG's Manpower Division.

Photo by Byers





FINANCE DIVISION

No plan for the reconstruction of a peaceful Germany can be effective without first liquidating certain aspects of German war finance and establishing the financial framework essential to a peacetime economy.

Finance Division responsibilities have been focused primarily on formulating policy, with supervisory functions delegated to Land Military Government fiscal officers. An increasing amount of policy formation as well as administrative operations is left to the German Land Governments. In this separation of duties, the Finance Division has helped Land officers to interpret policies and laws, and to check on how well the Germans are complying with financial regulations. For some questions, however, it has been impossible to delegate authority to German officials or even to Land Military Government officers. This is true particularly of foreign exchange and external assets.

During the first six months of occupation, the Finance Division assisted the Public Safety Branch in screening about 14,000 officials in government and private financial institutions, and in reviewing their practices for political or racial discrimination. Now that most of the removal of personnel is completed, denazification work consists

largely of bizonal discussions for setting up uniform standards, and investigation of individual cases.

The Division has blocked the use of property and financial assets owned by those subject to denazification laws. This prevents such property from being dissipated, concealed, or used to continue the influence of Nazis and militarists. For cases where Nazi-held property was acquired by force or other discriminatory action, the Finance Division is formulating a program to process and dispose of claims, and will supervise the German agencies which are to administer the program.

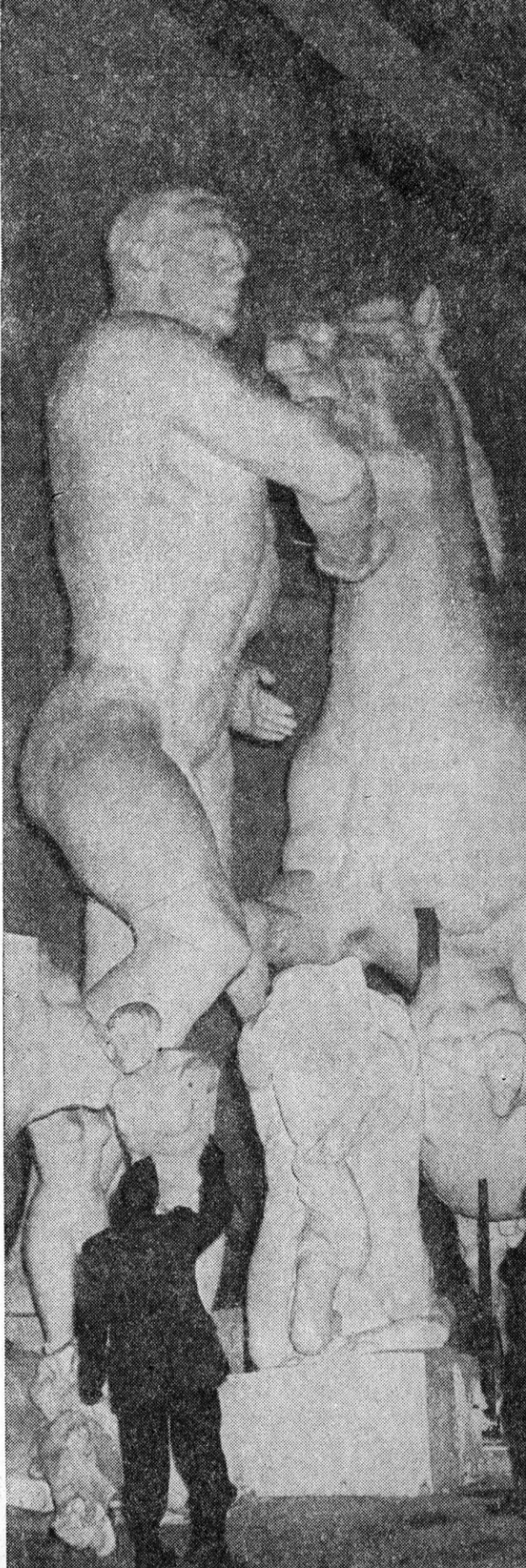
Along with the control of property within Germany, investigations are being made to identify German investments and assets abroad. At the same time, the casual export or import of valuable assets has been prohibited, and only such transactions are permitted as fit in with MG plans for economic development of Germany.

STUDY OF INSTITUTIONS

Another important aspect of Finance Division activity is the study of financial institutions to see how they must be changed for peace-time needs. This includes discussions with German officials on changes needed in the organization and practices of various institutions, such as decentralization of the banking system (the large Berlin banks formerly had over 1300 branches), and the reopening of insurance companies and security exchanges. It also includes consulting with German finance officials so that current government revenues will cover as much of the approved expenditures and occupation costs as possible.

Along with planning and supervising financial operations in the US Zone, the Finance Division has held continuing discussions with other occupying powers to secure uniform financial practices throughout

These huge plaster-of-paris figures in the studio of Dr. Josef Thorak, the Nazis' most celebrated sculptor, have been placed in the hands of the Property Control Branch, OMGB. Signal Corps Photo



Germany. These talks have resulted in a number of Control Council laws covering all four zones. At the same time, to promote the occupation policy adopted at Potsdam for treating Germany as an economic unit, the Military Governments of the US and British Zones have agreed to establish joint administrative committees for several fields, including finance. The French and Soviet Military Governments have been invited to join in these agreements.

These activities of the Finance Division can be grouped into seven programs: (1) Blocking, administering, and disposing of certain categories of property within Germany — a duty of the Finance Division's Foreign Exchange and Blocking Control Branch and Property Control Branch; (2) identifying and marshalling German external assets, as carried out by the External Assets and Intelligence Branch; (3) controlling the use of foreign exchange assets, as directed by the Foreign Exchange and Blocking Control Branch; (4) observing and advising German authorities in their development of policy toward financial institutions,

a duty of the Financial Institutions Branch; (5) eliminating inflationary elements in the monetary system, which is planned by the Financial Institutions and the Public Finance Branches; (6) observing and advising on German public finances, handled by the Public Finance Branch; and finally (7) securing and analyzing information necessary to MG supervision, which is done by all branches.

By blocking, administering, and disposing of property within Germany, Military Government now controls the use of specific groups of properties: Those where the owner needs to be deprived of control pending final decision by a denazification tribunal; those without an owner because they were owned by Nazi organizations or government units which no longer exist; and those which should be protected for absentee owners living in other countries and for persons whose properties were taken by force.

The detailed categories of properties subject to blocking control are named in Military Government Law 52 and General Order No. 1. Blocking of certain properties also is in-

(Below) The Reichsdruckerei in Berlin which handled the job of printing Germany's currency. Photo by Byers



licated under Article 61 of the German Law for Liberation from National Socialism and Militarism. While this German Law does not coincide with MG Law No. 52, a supplement to Law 52 provides that property subject to blocking under German law shall automatically be subject to blocking under MG law. This supplement was issued in order to retain in American hands initial responsibility for blocking until such time as a comprehensive German blocking law is promulgated. Meanwhile blocking is actually carried out through German channels, and German financial institutions are responsible for its supervision.

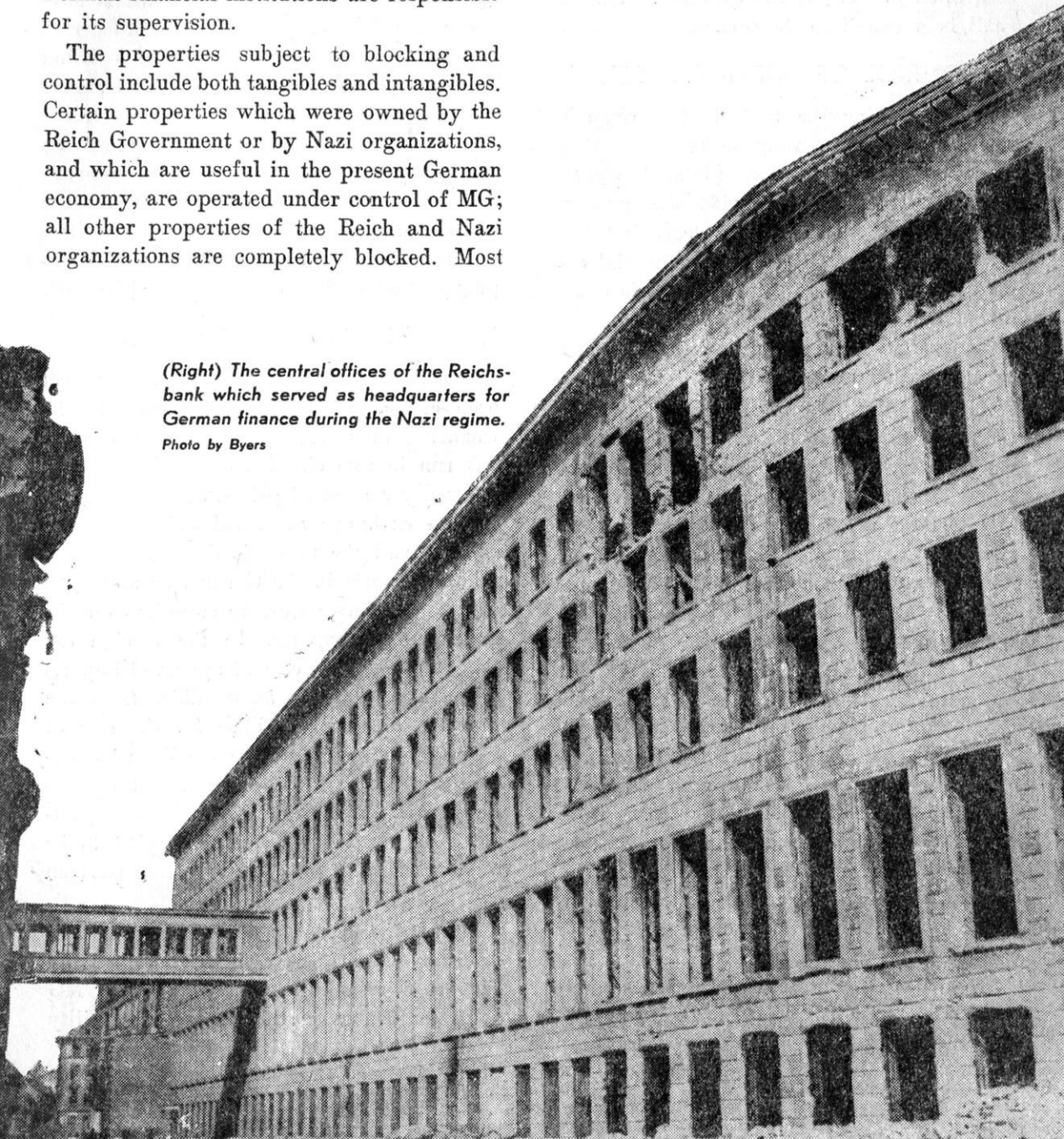
The properties subject to blocking and control include both tangibles and intangibles. Certain properties which were owned by the Reich Government or by Nazi organizations, and which are useful in the present German economy, are operated under control of MG; all other properties of the Reich and Nazi organizations are completely blocked. Most

other business and personal properties are only partially blocked, and withdrawals are permitted for living expenses of the owner not exceeding RM 300 per month. Withdrawals for other purposes are permitted only under special license. Licenses for various routine purposes may be authorized by the Land Central Banks (formerly the Reichsbank); license applications involving more discretion must be reviewed by MG at Land or OMGUS level.

Blocked business properties requiring current supervision are placed under "property

(Right) The central offices of the Reichsbank which served as headquarters for German finance during the Nazi regime.

Photo by Byers



control," and a German custodian is appointed who must see that no transactions are made which would impair the value or permit the concealment of the assets. In practice, the custodians appointed by MG usually have been persons who already were connected with the business and therefore familiar with its operations. Under the program for delegating maximum control to German authorities, steps have been taken to provide that after any fines or partial confiscation ordered by denazification tribunals have been paid from the blocked or controlled properties, the balance remaining shall be released to the owner.

CONTROL OF EXTERNAL ASSETS

Supplementing the control of Germany's internal assets is the program for **identifying and marshallng German external assets**, that is, assets located outside the prewar boundaries of Germany. By carrying out this program, the German war potential represented by these foreign holdings is eliminated and the proceeds of liquidation are made available for reparations as provided by international agreements.

After the Potsdam Agreement of August 1945 had given the Allied Control Council power to control and dispose of German external assets, Control Council Law 5 vested title to these assets in the German External Property Commission. The Finance Division represents the US element on this commission and assists it in carrying out its responsibilities.

PROBLEM OF IDENTIFICATION

A major problem in this work is to identify German-owned assets outside Germany, which the Division does through two coordinated programs. One is the census program under which Germans in the US Zone and the US Sector of Berlin are required to file declarations listing in detail their foreign assets and liabilities. The information obtained, after analysis and tabulation, is distributed to the interested agencies and diplomatic missions. The census is supple-

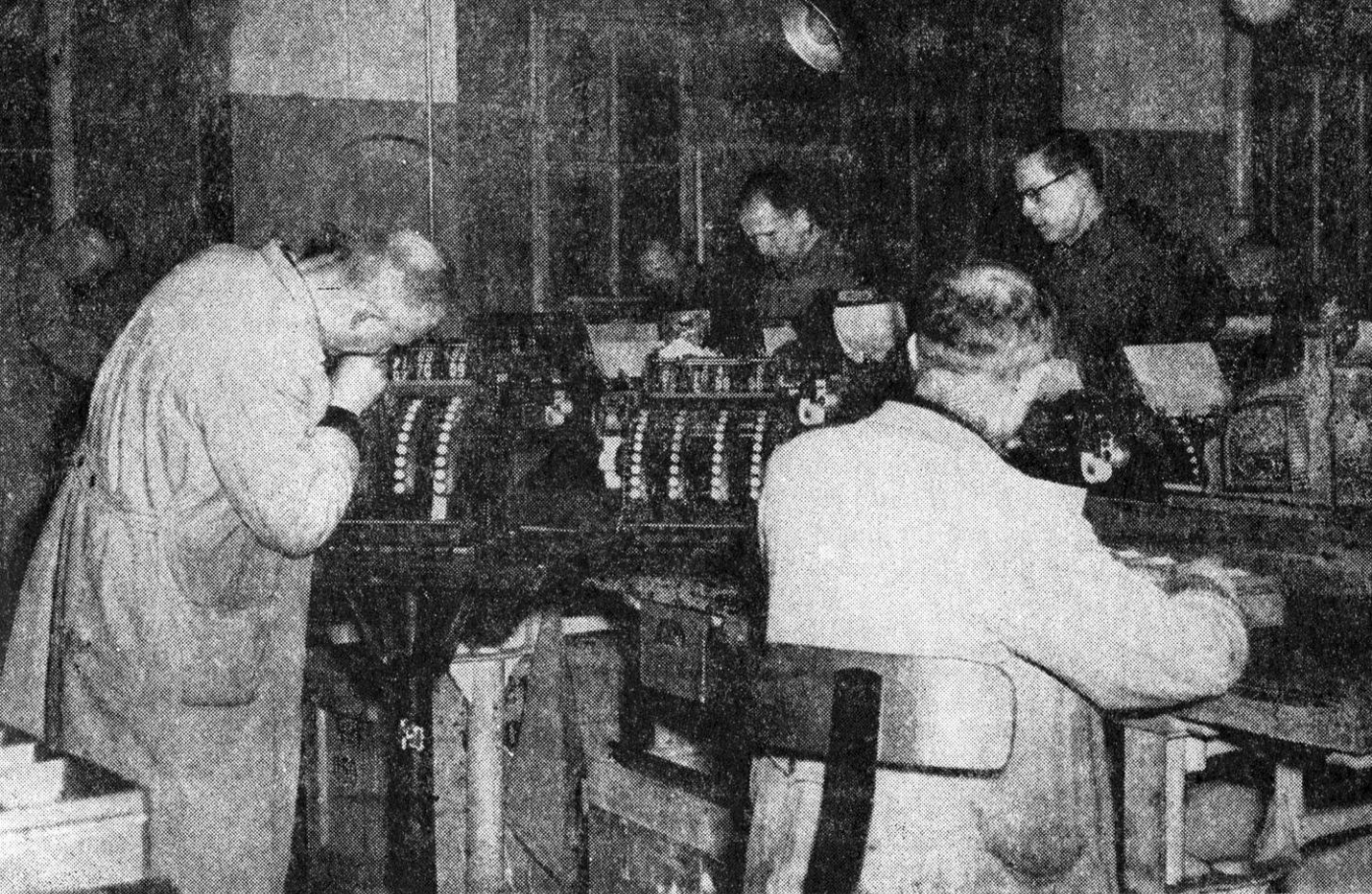
mented by the investigative program of the Division whereby it endeavors to uncover foreign assets which are not voluntarily declared and which have in many instances been deliberately concealed. The division maintains at the Ministerial Document Center a large collection of financial records obtained from official and semi-official German agencies. These records have served many purposes, including the supplying of valuable information on German-owned external assets.

The only foreign exchange assets currently available to Germany are those which have accrued during occupation by sale of German products abroad, since previously existing foreign exchange assets held in Germany were delivered to Military Government under MG Law 53. The proceeds of exports are applied first to pay for necessary imports, and the broad policy for **controlling the use of foreign exchange** assets is to secure these resources and prevent their diversion to purposes other than those approved by MG.

CIRCUITS OF FINANCING

Since no general rate of exchange has yet been established for the Reichsmark, the financing of German imports and exports has run in two circuits, one in marks at internally controlled prices, and the other in foreign exchange at world prices. In the mark circuit the proceeds derived from the sale of imports in the German economy are used to reimburse German suppliers for the mark cost of exports. In the foreign exchange circuit, the cost of approved imports is defrayed, insofar as possible, from the proceeds of exports. Thus far the cost of necessary imports into the US Zone has exceeded proceeds from exports, and the deficit has been made up from War Department appropriated funds, intended to be reimbursed from proceeds of future German exports.

During the past year both the internal and external circuits have been operated by Finance Division. In accordance with MG plans to turn over additional responsibility



The German workers pictured above are making cash registers at the Berlin plant of the National Cash Register Co. The factory is in custody of the Finance Division's Property Control Branch.

Signal Corps Photo

to the Germans, and in implementation of the bizonal agreement between the United States and the United Kingdom, internal financing of imports and exports for the two zones was delegated to the Foreign Trade Finance Office (German) in Frankfurt. For all external financial transactions a Joint Foreign Exchange Office is to be established in Berlin, managed by German personnel under United States-United Kingdom supervision.

The responsibilities of the Finance Division for foreign exchange control extend also to various other types of transactions. Questions raised by the certificates of credit and military payment orders held by former prisoners of war in the United States have recently been settled. In addition, study is being given to the problem of compensating in marks for foreign exchange assets delivered under MG Law 53, and to problems

incident to controlling the financial operations of foreign concerns licensed to operate in Germany.

One of the reasons why German industry and consumer savings were so effectively mobilized for war was the centralized control exercised by banks, insurance companies, and security exchanges. Accordingly, it has been important for Military Government to develop policies to **decentralize financial institutions and reduce their control over industry.**

With these objectives in mind the Finance Division is continuously reviewing present financial practices and policies, and is considering the problems connected with financial decentralization. In accordance with the Potsdam Agreement, efforts have been made to secure quadripartite agreement on the uniform treatment of various monetary and financial problems. In some instances where such agreement could not be obtained,

US officials have discussed with the Land Governments of the US Zone the possibility of achieving Potsdam objectives in the US Zone at least. One result of such discussions has been the decentralization of the Reichsbank. This was accomplished by Land legislation which replaced the Reichsbanks in the US Zone with individual Land Central Banks. Other problems have included the provision of necessary bank clearing facilities between Berlin and the US Zone, the decentralization of the branch systems of the big Berlin banks, the decentralization of affiliated groups of insurance companies, and the liquidation of the German Labor Front Bank and insurance company.

BIG BANKS INVESTIGATED

As a basis for some of the banking plans, extensive investigations have been conducted into the prewar and wartime practices of the big banks and into their political relations with the Nazi Party and with German imperialist expansion. The results of these investigations are made available to the Office of Chief of Counsel for use in the War Crimes Trials.

Another Military Government objective is financial responsibility and autonomy of local governments, so that Germany eventually can finance its normal peacetime functions. To help the governments reach this goal the Finance Division observes and advises on current developments in German public finances. Draft budgets of the Laender are examined to ensure conformity with Military Government policy.

To carry out these functions requires study of the tax system, its relation to production and trade and its ability to provide the funds required by the various units of Government. Continued study is made also of such expenditure items as public welfare, social insurance, pensions, and public works to determine the continued ability of the governmental units to support them and, at the same time, to pay such obligatory items as occupation costs and care of refugees and expellees.

These problems and proposals for their solution are discussed with other interested divisions of Military Government, with Land Military Government officers, with bizonal authorities, and with German officials, as the case may require. Views are also interchanged with representatives of the occupying powers in an effort to promote uniformity of principle and uniform application of fiscal legislation. In this connection, other action by the Finance Division includes participation in the development of over-all price policy for Germany, fiscal policies involved in procurement by US agencies of supplies and personnel within Germany, and various aspects of the proposed German Central Finance Department.

As a basis for all its supervisory and planning functions, Military Government must have knowledge of the condition of German financial institutions and of various financial aspects of the entire economy of the US Zone. Therefore the securing and analyzing of statistics and other field intelligence is another important function of the Finance Division.

INFORMATION SOURCES

In the first year of occupation, available financial information came largely from local MG officers. Since these men have been withdrawn from local areas, MG has had to rely increasingly upon statistical reports, prepared by German agencies and analyzed in the Finance Division. The design and procurement of these reports is the direct responsibility of the various branches of the Finance Division. It is supplemented by reports of Land MG offices and of other OMGUS divisions. Significant financial information from all sources is combined with information obtained in the course of current functional supervision, and is submitted periodically to the Military Government and the US War Department. In accordance with quadripartite agreement financial statistics are also provided currently through the Finance Directorate to the other occupying powers.



FRANKFURT BANK

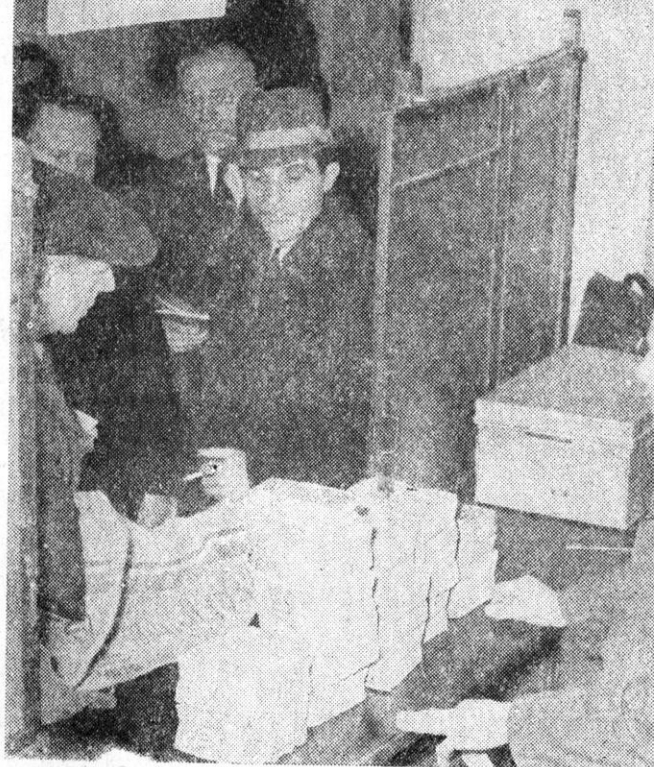
Until the latter part of the nineteenth century, Frankfurt a/M was famous as the financial center of western Europe. Then, under Bismarck, a trend began toward the centralization of German banking in Berlin, climaxed with the Berlin-centered Reichsbank of the Hitler era.

The Reichsbank at Frankfurt was the main bank in the Reichsbank system for Hesse until the Land Central Banks took over the functions of the Reichsbank in the US Zone of Germany, under provisions of uniform laws adopted by the three Laender which

became effective 1 January. Under the new Land Central Bank system, the Directorium of the LCB for Hesse is now located at Wiesbaden. But the Frankfurt bank stands as the largest of the LCB branches in Hesse and the second largest in the US Zone.

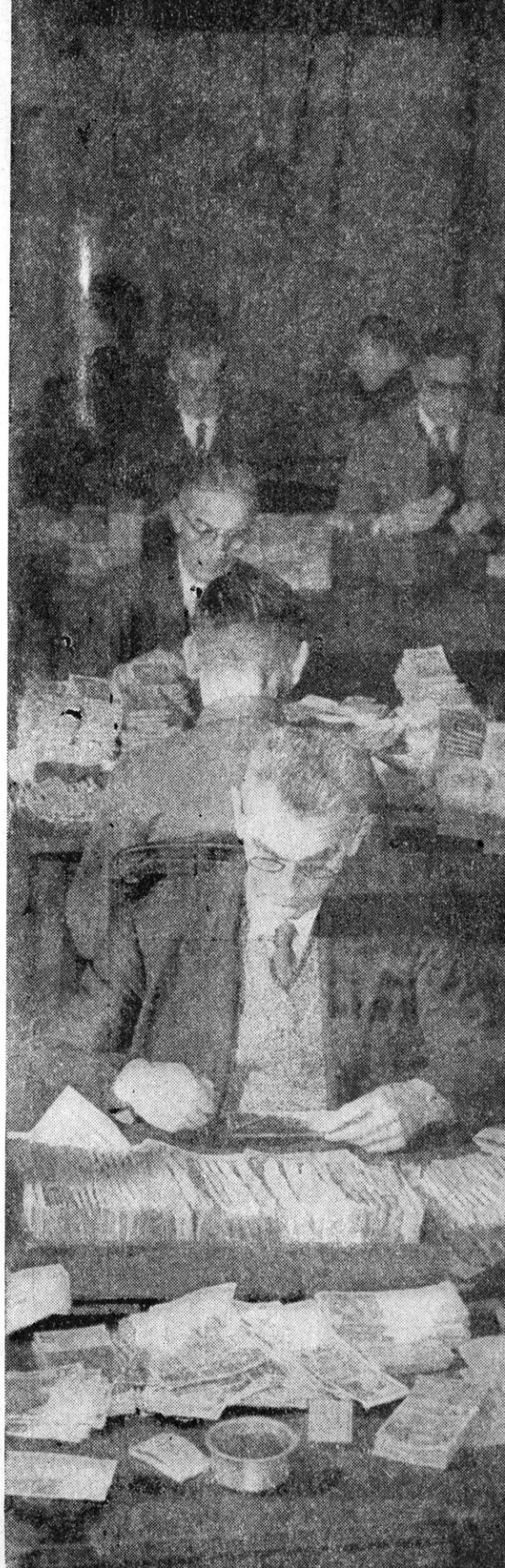
Functioning generally like Federal Reserve Banks in the United States, the Land Central Banks and their branches act primarily as a clearing agency and do not handle savings accounts and small personal checking accounts. However, they do handle large industrial accounts.

Signal Corps Photo



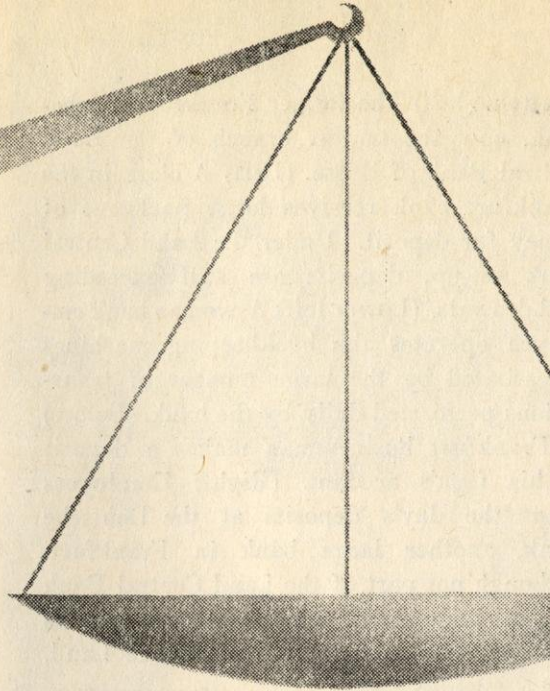
(Extreme left) The former Frankfurt Reichsbank, now the largest branch of the Land Central Bank of Hesse. (Left) A clerk in the Frankfurt bank receives large packages of money for deposit. Under the Land Central Bank set-up, deposits are still exceeding withdrawals. (Lower left) A woman bank employee operates the bookkeeping machines necessitated by the large number of transactions performed daily by the bank. (Below) A Frankfurt businessman makes a deposit to his firm's account. (Right) Employees count the day's deposits at the Deutsche Bank, another large bank in Frankfurt. Although not part of the Land Central Bank system, branches of a private bank such as this one are similarly limited to one Land.

Signal Corps Photos





LEGAL DIVISION



All Nazi laws which provided the basis of the Hitler regime or established discrimination on grounds of race, creed, or political opinion shall be abolished. No such discriminations, whether legal, administrative, or otherwise, shall be tolerated."

In these words the Potsdam Declaration set forth an objective of the occupation of Germany; and the accomplishment of this objective is one of the major aims of the Legal Division of OMGUS. The Potsdam document continues:

"War Criminals and those who have participated in planning or carrying out Nazi enterprises involving or resulting in atrocities or war crimes shall be arrested and brought to judgment. Nazi leaders, influential Nazi supporters and high officials of Nazi organizations and institutions and any other persons dangerous to the occupation or its objectives shall be arrested and interned.

"All members of the Nazi Party who have been more than nominal participants in its activities and all other persons hostile to Allied purposes shall be removed from public and semi-public offices, and from positions or responsibility in important private undertakings. Such persons shall be replaced by persons who, by their political and moral qualities, are deemed capable of

assisting in developing genuine democratic institutions in Germany.

"The judicial system will be reorganized in accordance with the principles of democracy, of justice under law, and of equal rights for all citizens without distinction of race, nationality or religion..."

While all of these objectives have been implemented and elaborated by laws and directives, they remain the guide and reference for day-to-day operations in the Legal Division's various branches: Administration of Justice, Board of Clemency, Legal Advice, Legislation, Prisons, and War Crimes.

Broadly speaking, the role of the Division may be described as that of administrator, legislator, and legal adviser.

Responsibility with respect to German and Military Government courts lies with the **Administration of Justice Branch**. German courts are once again functioning throughout

the US Zone, handling civil and criminal cases of all types. The three levels of German ordinary courts include the Local Courts (Amtsgerichte), District Courts (Landgerichte), and Courts of Appeals (Oberlandesgerichte), all of which are under the supervision of the Minister of Justice in each Land. Through regional MG offices, the Administration of Justice Branch, while leaving operating responsibility to the Germans themselves, inspects and checks these courts to make certain they are functioning "in accordance with the principles of democracy, of justice under law, and of equal rights for all citizens without distinction of race, nationality or religion." The new Land constitutions authorize the establishment of Supreme Constitutional Courts, which decide on the constitutionality of laws and perform related tasks. Here again the Administration of Justice Branch follows their opera-

This group was among the 74 defendants who were tried by the Military Tribunal at Dachau for participation in the Malmedy killings of US troops during the "Battle of the Bulge."

Signal Corps Photo





A German juvenile delinquent shown before
a Military Government Court in Frankfurt.

Signal Corps Photo

tion without supervising them directly.

In addition to the German courts there are nearly 250 MG courts throughout the US Zone and the US Sector of Berlin which function to protect the interests of the Allied Forces and United Nations personnel. Unless expressly authorized by law or appropriate MG authority, no United Nations national may be tried in a German court in a criminal case. Generally, civil cases involving United Nations nationals may be heard by German courts only if the principals agree thereto and MG approves. MG courts are of three types: General, Intermediate, and Summary. General courts may impose any lawful sentence including death; Intermediate courts may impose any sentence except: death, imprisonment in excess of 10 years, or a fine of more than 10,000 dollars;

Summary courts are limited to prison sentences of one year and fines of 1,000 dollars. One of the principal functions of the Administration of Justice Branch in connection with MG courts is the maintenance of close liaison and supervision to insure that justice is meted out in an impartial and uniform manner.

The MG courts enumerated above are empowered to try only criminal cases. An MG Court for Civil Actions has been established, with headquarters at Stuttgart, which will hear actions for damages arising out of the operation of automobiles not owned by the US Government, when a national of the United Nations is a party to the suit.

The German Patent Office, located in the US Sector of Berlin, has been maintained by the Administration of Justice Branch pend-

ing agreement by the quadripartite Industrial Property Committee on its reopening. On file at the Office are approximately 180,000 duplicate copies of patent applications, most of which had been removed from Berlin during the war, and were later found in various parts of Germany, reassembled, and returned to Berlin shortly after the surrender.

The Central Ministry of Justice also awaits quadripartite approval for its reopening. Here again US MG has reassembled the files and assumed temporary responsibility for its maintenance. Some 100,000 personnel files on German judges and court officials are available to all four occupying powers, and have proved valuable in clarifying the political past of judges suspected of Nazi tendencies.

The administration of prisons is related to administration of justice in general, but in

the Legal Division it is the responsibility of a special **Prisons Branch**. Regular inspections are made of the 250 prisons and penitentiaries in the US Zone, all of which have German wardens and other administrative personnel. These institutions are operated in semi-autonomous manner, but the Prisons Branch must make frequent checks to insure that they are being administered according to the progressive principles laid down in Control Council Directive No. 19 (Principles for Administration of German Prisons.) The **Clemency Board**, which includes one prison officer in its membership, is concerned with pardons, paroles, and amnesties for prisoners sentenced by MG and German courts in the US Zone. The German Ministries of Justice have been encouraged to set up their own clemency boards for prisoners convicted by German courts.

While the punishment of war criminals is

Prisoners at work in the wire shop of the Butzback prison in Butzback, Hesse.

Signal Corps Photo





The four judges of Military Tribunal No. 1 in Nuremberg which is currently hearing war crimes cases.

Photo by PRO, OCC

one of MG's major objectives, the role of the Legal Division in this matter has been limited to the drafting of legislation, legal advice, and liaison. The **War Crimes Branch** of the division acts as a liaison office between the Theater Judge Advocate, the Military Tribunals at Nuremberg, and various foreign missions which, through the Allied Control Authority, seek custody of war criminals held by the US Army. The War Crimes Branch also provides US representation on the Permanent Commission on the Central Registry of War Criminals and Security Suspects, a quadripartite agency which maintains lists of wanted war criminals.

The **Legislation Branch** is the newest addition to the Legal Division, assuming functions formerly performed by both the Legal Advice and Administration of Justice

Branches. The drafting of new legislation, both on the quadripartite and zonal levels, is one of the chief responsibilities of the branch, along with examination of new German legislation to insure its conformance with Control Council and MG law policy and with existing German law.

On the quadripartite level several committees, for which the Legislation Branch provides the US members, are working to eliminate those Nazi laws "which provided the basis of the Hitler regime or established discrimination on grounds of race, creed, or political opinion." The Committee on the Reform of German Law held its first meeting on 21 March 1946 "to examine German legislation and make recommendations to the Legal Directorate for the elimination from it of Nazi laws and for the substitution where necessary of appropriate provisions." By

the end of June 1947, the Committee expects to have completed the rewriting of laws on commercial corporations, public welfare, cultural affairs, mail and telecommunications, police law, and laws concerning industrial property. Committees on the Revision of the Criminal and Juvenile Codes have already completed initial drafts in their respective fields. All of these committees are under the Legal Directorate, which performs many of the division's functions on a quadripartite level. The Director or, in his absence, the Associate Director of the Legal Division serves as US representative on the Directorate.

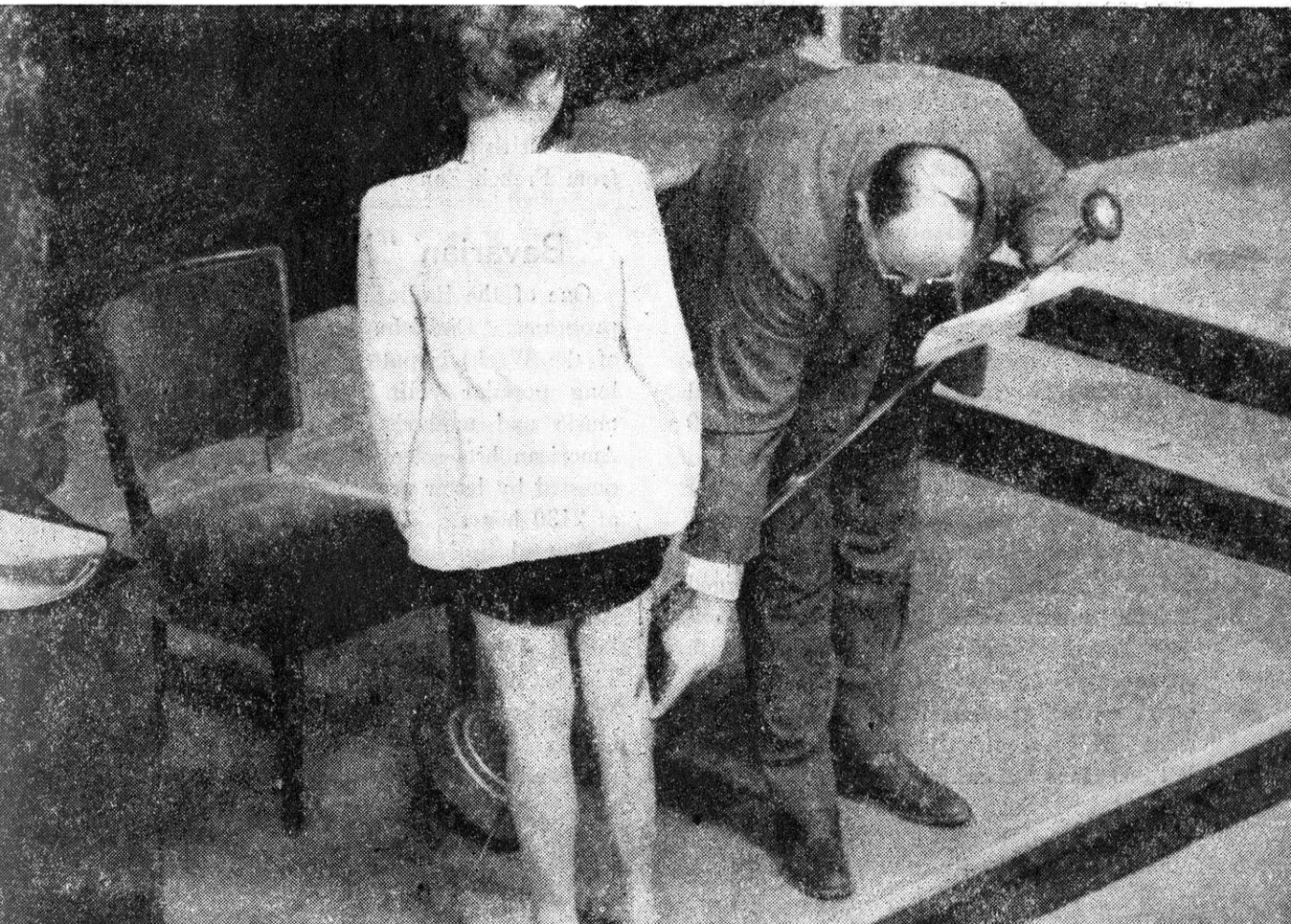
The division's **Legal Advice Branch** furnishes advisers to a number of important OMGUS agencies and committees. These include the Denazification Board, which assisted in the drawing up of the Law for Liberation from National Socialism and Mil-

itarism; the interdivisional Committee on Governmental structure, which is studying various problems related to the political future of Germany; the Property Disposition Board, which is working on a long-range program for the ultimate disposition of German property now under MG control; and the Export-Import Board, which is engaged in selling German-made products abroad and buying materials and goods required in the US Zone of Germany.

It is not anticipated that the recently announced bizonal agreement with the British will affect the administrative program of the Legal Division, although some legal problems are certain to arise. Unification of all Germany would, however, have an important bearing on the division's future activities. In anticipation of that day, plans are already being made for the reopening and joint administration of the Patent Office.

A prosecution witness appearing before Military Tribunal No. 1 shows the court the results of an operation at the Ravensbrueck concentration camp.

Signal Corps Photo





Industrial Production Declines

Reflecting the year-end holidays and adverse seasonal factors such as frozen waterways, stalled transportation, damaged equipment and forced shutdowns, industrial production in the US Zone declined in December to an estimated 39 percent of the 1936 average from 44 percent in November, according to data compiled by the Economics Division, OMGUS.

Declines in production were reported in the following industries: precision instruments and optics, stones and earth, electrical equipment, ceramics, textiles. Production of light bulbs, radio receivers, and storage batteries showed small increases. Truck output rose as partially finished trucks, delayed by lack of parts in November, were fully assembled. Iron and steel production remained virtually unchanged with increased output of pig iron and ingot steel offsetting declines in steel mill products and gray iron castings.

Coal mining in the US Zone held up well, average daily output of brown and pech coal advancing to new monthly highs. For Germany as a whole, the production of coal during December was described as "good". Gains during first three weeks of the month were so great that neither the subsequent cold nor frost, disabled machines nor disorganized transport, could keep hard coal from rising to a new monthly peak. Production of brown coal in Germany declined about five percent in December to 13,258,000 tons.

France continued to receive the largest single share of coal exported from Germany. In the fourth quarter, leadings for export to France (including North Africa) averaged 214,000 tons monthly, 29 percent of all exports (except Austria). This compared with an average of 314,000 tons in the previous quarter when its share of the total was almost 31 percent. Luxembourg received 121,000 tons monthly, followed by the

Netherlands' 110,000 tons and Denmark's 80,000 tons. Other receiving countries included Belgium, Italy, and Norway.

In the US Zone, December receipts for German civilian requirements from US Army stocks of petroleum, oil, and lubricants, amounted to 22,500 tons, a decline of 30 percent from November. Soviet representatives engaged in reparations and demolition work in the US Zone have been provided with coupons for 40,000 liters of gasoline and 750 liters of motor oil. Reimbursement in kind will be made from POL stocks in the Soviet Zone. The original motor fuel allocation for Soviet representatives, made some months ago, has been settled in full by shipments from the Soviet Zone.

During 1946, US Zone users of rolled steel — the Reichsbahn, waterways, bridge builders, the US Army, farm machinery plants, truck manufacturers, anti-friction bearing plants, and other steel consumers — had available about 300,000 tons of rolled steel. Of this total, about 43 percent came from US Zone rolling mills, about 55 percent from British Zone mills, and two percent from French Zone mills.

Bavarian "Hit Parade"

One of the Radio Munich's most popular programs. "Die Zehn der Woche" (The Ten of the Week) is patterned after America's long popular "Hit Parade" with similar music and methods of presentation. The American hits selected by listeners and requested by letter are played each Thursday at 2130 hours.

Started in November 1945, the program has grown to an outstanding weekly feature, drawing an average of four to five thousand letters, postcards, and telegrams a month. The mailbag is enlarged substantially, however, when American musical films are playing in Munich, sometimes reaching seven thousand requests a month.

"Sun Valley Serenade" with Sonja Henie and the late Glenn Miller is currently showing in the city and requests for hits from this film have topped the list in recent weeks.

Recordings of the various hits have been supplied by AFN for the program. Music from motion pictures, however, is taken from the original film sound track played at the Bavaria film studios near Munich and piped to the radio station.

The German master of ceremonies on the program reports that the following hits have topped the lists in recent weeks: "I Know Why," "In the Mood," "Chattanooga Choo Choo," "South America Take it Away," "Give me Five Minutes More", and "To each his Own." But the all time high on the Bavarian hit parade is "Don't Fence Me In" sung by James Melton.

About half of the requests come from Munich and vicinity and the other half from the rest of Germany and Europe. Letters have been received from all European countries except Finland, the Baltic States, and Spain. Writers have sent in drawings, poems, and money. The money is turned over to the Bavarian Red Cross and a display of the drawings has been set up at the radio station.

"If" Offers No Help

Advice to the Germans to stop "feeling a little sorry for yourselves," and to have "a little more confidence" was given by Lt. Gen. Lucius D. Clay, US Deputy Military Governor, in addressing a recent bizonal meeting of mining leaders and German officials at Essen. The economy of the US and British Zones, he said, could not be rebuilt on "IF" — if the prisoners of war were returned — if the French and Russian Zones helped — if no coal was exported — and so on.

The DMG suggested that the Germans count their blessings. For example, as regards export, not one pound of coal had left either of the two zones as reparations. They now had 60,000,000 dollars in hand from last year's exports, and this would be spent on raw materials for German industry. In addition, it had been agreed to ask Great

Britain and the United States for a fund of 600,000,000 dollars for the importing of food. For this year, at any rate, the proceeds of export would go back into the German economy and not be used to buy food.

On the supply problem, he pointed out, more coal would mean more iron and steel. Plans for the coal industry must be carefully made. Recruiting of miners could not be achieved by talk or philosophy, but only by carefully prepared plans.

"Guinea Pig" Code Urged

Dr. Andrew C. Ivy, after an exhaustive review of the record of the current war crimes trial at Nuremberg of 23 doctors and scientists accused of conducting medical experiments on inmates of concentration camps, returned to the United States with a recommendation for publication of an international, legalized code of ethics on the use of human beings as experimental subjects.

Dr. Ivy, who is Vice President of the University of Illinois in charge of the Colleges of Medicine, Dentistry, Pharmacy, and Nursing, said that in the experiments charged to the defendants at the Nuremberg trials, "the scientific method of clinical investigation has been debased by the Nazis." He also pointed out that there has never been a written code of ethics for human experimentation. Reputable doctors, however, he asserted, have always followed the unwritten rule that all "human guinea pigs" must be volunteers, and the danger of the medical tests must be previously investigated by animal experimentation.

During a previous visit in Nuremberg last August as a special consultant for the Secretary of War, Dr. Ivy made a study of Nazi medical experiments performed during the war on inmates of concentration camps. As a result of this research, he concluded that the Nazis gained practically nothing of scientific importance. "Our work in the United States," he added, "is so far ahead of German science, that we were disappointed not to find something of value from Nazi medical research."

US ZONE MG ACTIVITIES

Stocks of flour, meat, and sugar in the US-occupied areas of Germany were higher on 1 January than they were in the preceding month. Amounts on hand varied from a week's supply of meat (5,600 metric tons) to 162 days' supply of sugar (59,600 tons); but stocks of potatoes, pulses, and fat declined in December. A marked seasonal drop in commercial slaughter of cattle, calves, and sheep took place during the month, but hog slaughter rose eight percent as the 1946 spring pig crop began coming to market under the livestock reduction program.

Implementation Regulation No. 15, defining ordinary labor pursuant to Article 63 of the Law for Liberation from National Socialism and Militarism, and Implementation Regulation No. 16, clarifying claims for payment of pensions, annuities, or other benefits to be fulfilled, have been approved by OMGUS for publication in the four Laender.

FARM PRODUCE ON BLACK MARKET

A survey of black market activities and price control violations in Bavaria indicates that one-quarter of the goods used for black market purposes was farm produce, in spite of farmers' deliveries of their full quotas.

On 18 January the Kommissariat Police Station at Hessisch-Lichtenau in Hesse was attacked by unknown assailants, resulting in the death of one rural policeman and the wounding of another; the assailants fired a fusillade of shots at the police and escaped under cover of darkness. US Military Police and German civil police are conducting an intensive investigation.

A newly initiated comprehensive denazification investigation of the student body at Erlangen University aims at determining the extent of Nazi influence at the University and whether preference is being given to victims of Nazi persecution. The investigation is being conducted by University authorities under MG supervision.

A youth group (*Jugendring*) has been

formed in Hersfeld, Hesse, to cooperate with local authorities in an effort to stimulate the rebuilding of destroyed rest areas. In Wuerttemberg-Baden local youth organizations are increasing efforts to incorporate refugees youth of their communities into a youth program.

An agreement has been reached with the British relief organization "Save Europe Now," whereby 10,000 food relief packages will come into the US Zone from England.

NEW JUVENILE DELINQUENT RULES

The Ministry of Labor and Welfare of Hesse has issued new and progressive regulation concerning public and private correctional schools for juvenile delinquents, wherein democratic self-government, vocational training, and the abolition of corporal punishment are provided for.

The extremely heavy influx of Civil Affairs imports, mostly grain, during January necessitated storing 115,000 tons in elevators and 25,000 tons in motor barges until movement by rail or water is possible. An additional 170,000 tons are expected to arrive during the first half of February.

February requirements for movement of lumber under the United Kingdom-Dutch Lumber Program include shipment of about 9,000 tons of green lumber from numerous rail heads in Bavaria, Wuerttemberg-Baden, and Hesse, transport of 35,850 tons of seasoned lumber from interior points to Main, Neckar, and Rhine river ports, and movement of approximately 45,000 tons from those ports to coastwise steamers.

RAIL TARIFFS REDUCED

Reduction of special Reichsbahn passenger tariffs went into effect 1 February and applies to commutation fares of workers in industry, inland waterway employees, seamen, home workers and small home manufacturers, employed blind people, people attending public nursing clinics, agricultural helpers, and small gardeners.

EXCERPTS FROM OFFICIAL INSTRUCTIONS

Pertinent excerpts from official instructions are printed for the benefit of our readers. Official copies of the quoted circulars, letters, and directives may be obtained by writing to the originating headquarters.

L&SO's Reductions

A study on the possibility of eliminating enlisted personnel from Liaison and Security Detachments and of consolidating housekeeping functions in the Land offices is provided in OMGUS letter, AG 211 (CO), "Study on Personnel Requirements in Liaison and Security Detachments," dated 22 January 1947.

The letter directs that Land offices will make an investigation of L&S Detachments in order to ascertain what savings in personnel can be affected. It should be borne in mind that the greater percentage of enlisted personnel now available for assignment to these detachments and other MG units do not have MGS's qualifying them for clerical or secretarial positions. It is considered that clerical functions of L&S personnel are of primary importance. Therefore, it is felt that German personnel might be used to replace enlisted men and that necessary classified documents could be prepared and handled by officer personnel.

A report is to be submitted to OMGUS headquarters by the Directors of Land offices not later than 15 February. In this report there should be included the number of enlisted and officer personnel presently on duty with L&S Detachments. Figures on the distribution of this personnel in the various Landkreis and Stadtkreis posts should be given as well as comments on the advisability and practicality of the elimination of enlisted personnel and the consolidating of housekeeping functions in the Land offices. The importance of this report is based on the necessity of saving personnel wherever possible in order to reach by 30 June 1947 the reduced figure of 4,000 positions for all OMGUS excluding Berlin Command.

Expellee Draft Law

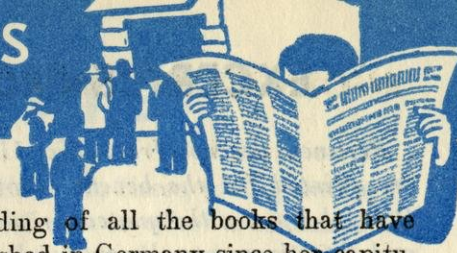
The Laenderrat has been directed by OMGUS to enact their "Draft Law concerning the Reception and Integration of German Expellees," with certain changes as contained in OMGUS Letter AG 010 (CA), dated 24 January 1947. The letter, directed to the Ministers-President of the three Laender, points out that action by the states of the US Zone is subject to international agreements to which the United States is a party; and that, since the subject of expellees is one which involves an international agreement, decisions about expellees will continue to be made by the Allied Control Authority, or in the absence of quadripartite agreement, by the MG of each occupying power for its zone of occupation.

The OMGUS Letter continues: "The cabinet of your state is authorized and directed to enact the 'Draft Law concerning the Reception and Integration of German Expellees,' including therein the category of 'Persons of German citizenship who, on 1 January 1945, were residents of the German provinces east of the Oder and the Goerlitzer Neisse (territorial status of 1 September 1939).'"

"The preamble of the law will recite, 'This law is enacted by the cabinet of the state of . . . under the authority and direction of Military Government as set forth in letter dated . . . January 1947.'"

Denazification Forms

Land MG Special Branches have been directed to use the Meldebogen in place of the Fragebogen in investigation of individuals, according to OMGUS Cable V-12957, dated 16 January 1947. Exceptions to this change are in the cases of candidates for leading positions in bizonal agencies, and persons whose names come before the Allied Intelligence Committee for future consideration in central (national) agency employment.



New Book by Eugen Kogon Praised in Press Reviews

The recent book "Der SS Staat" (The SS State) by Eugen Kogon on the concentration camps is receiving high commendation from the German press in the US Zone, according to the weekly analysis by the Office of the Director of Information Control, OMGUS, of the editorial comment in the licensed press.

A review in the **Frankfurter Neue Presse** predicted a greater effectiveness to Kogon's book in influencing the German thinking concerning the concentration camps and Nazi crimes than the motion picture "Todesmuehlen" (Mills of Death) has had. It continued:

"This book comes at the right time. It is the work of a great writer who once and for all carries decision into a muddled mental and and*ethical situation that concerns us . . . His work also fulfills a task of meditation with the rest of the world such as rarely falls to a book . . . A work like Kogon's 'SS-Staat' proves that even now when we are inundated with pamphlets and periodicals without conviction, a book can move the hearts and minds of men, if the writer has an acute, articulate mind and shows a way by clear thought out of labyrinthine confusion."

Der Allgauer (Kempten) in a review of the book said all the concentration camp literature published heretofore can be dismissed as "books that appear nowadays by the dozen and that emphasize and underline German collective guilt and paint in distorted perspective the grandiose, terrible fate of the individual on the one hand, and on the other the wanton, impenitent people in its madness . . . Yet, we all know that the concentration camp is a problem that we will have to settle in our hearts."

In describing Kogon's book as filling "this crying need," **Der Allgauer** concludes that it is "perhaps the most important and most

worth reading of all the books that have been published in Germany since her capitulation."

State Secretariat Proposed

The **Fraenkische Nachrichten** (Tauber-bischofsheim) gave support to the idea for the creation in Wuerttemberg-Baden of a State secretariat for the preparation of questions arising out of the peace treaty. It believed that Germany should see her foreign policy as follows:

"The belief that Germany could decide in favor of an Eastern or a Western group is a fundamental error. The future role of Germany can only correspond to that of a greater Switzerland. The German people must win confidence abroad so that it will not be considered as enemy or ally, but instead as neutral — a country which sees its future task in the maintenance of understanding and the will to peace, in the reconstruction of a peaceful world order."

Criticism of Rationing

In an editorial discussing the problem of German economic organization, a topic which has been receiving considerable attention in the German press, the **Kasseler Zeitung** said: "Let us go to Bavaria where the new economics minister Dr. Zorn appointed a special commission to examine the overloaded textile warehouses, which stand in contrast to the inadequate issue of ration certificates. If that were only a local situation one could ignore it. But the same thing is being reported from all cities and communities. Thousands of families would be grateful to be able to buy an electric cooker or an electric iron. The economics office does not issue ration certificates although the warehouses are full . . . This involves apparently a lack of planned guidance in the distribution of consumer goods."

cially-planned broadcasts but also by turning over a large share of responsibility to the Germans in the sphere of actual operations. German radio executives from throughout the zone have met frequently to discuss mutual problems. On occasion they have combined as a network to present a zone-wide news broadcast to test their cooperative scheduling.

A report of the proceedings at the war crimes trials before the International Military Tribunal in Nuremberg was accomplished on a nation-wide scale, authorized by quadripartite agreement. Thus while the US-controlled stations maintain a high degree of independence as local or regional media, they now have practical experience in co-operating with stations of other occupying powers.

USE OF MOTION PICTURES

Still another vital media, the motion picture, has been redeveloped by MG to serve its own policies and to assist Germany in rebuilding an important industry in democratic form.

After the defeated German armies laid down their arms, MG film control officers scrambled over the rubble of scores of cinema houses throughout the US Zone to determine which could be rehabilitated and utilized immediately. By 31 December 1946, 856 movie houses were reopened and were operating in the Zone, Bremen Enclave, and US Sector of Berlin. In Bavaria there are 364; in Greater Hesse, 245; in Wuerttemberg-Baden, 156; in Bremen Enclave, 31; and in Berlin Sector, 60.

As further assistance to the Germans in resuming their own feature film production, the first ten producers received licenses from Military Government in November 1946. The producers, some of whom were widely known in the pre-Hitler period, were carefully screened to determine their political reliability and their professional standards.

As in other media, shortages were acute

and the full program of motion picture re-orientation was handicapped. American feature films, however, have started to arrive in Berlin in larger numbers and after months of preparation, German-language synchronization was begun at the Tempelhof Studios in Berlin Sector. To cope with a chronic shortage in film raw stock for domestic use, production of this material was begun in September 1946 through the combined efforts of OMGUS Information Control, the Chemical Section of Industry Branch, OMGUS Economics Division, Land Information Control Divisions, and Land Chemical Sections of Bavaria and Hesse. While casting film base has been manufactured in Frankfurt, all of the film raw stock produced domestically comes from the Munich plant.

Designed as an American undertaking, but with the cooperation and support of the other occupying powers, a documentary film depicting the Nuremberg trials went into the production stage in the fall of 1946. The film will portray the proceedings before the International Military Tribunal, pertinent scenes of aggressive warfare, atrocities, and other Nazi crimes which led to the indictment of Nazi leaders and National Socialist organizations. Thus it will be a warning against war and crimes against humanity.

PROPAGANDA FILMS BANNED

Although hundreds of captured German films of a propaganda nature have been confiscated, 200 others, produced before the capitulation, were censorship-screened up to 31 December 1946. Of these 118 were approved for showing to German audiences as having purely entertainment and educational value, and 75 were banned for containing various forms of propaganda or starring Nazi actors.

One of OMGUS Film Control's main missions is the production, in cooperation with the British of a weekly newsreel, "Welt im Film." (The World in Film). This newsreel, offering a balanced presentation of Amer-

ican, British, world, and German activities, is distributed in the US and British Zones and has won a high degree of popularity. It is produced in the American studios in Munich.

To assure the Germans of "liberty in the arts," MG Theater-Music Control Officers, after ceaseless weeding-out of Nazi influences and Nazi artists, embarked upon a program of presenting both American and German plays, most of which have been highly successful in attendance and popularity. American plays have invariably received favorable criticism in the German-licensed press and from audiences themselves. For example, Abbott and Holm's "Three Men on a Horse," has had approximately 150 performances up to the close of 1946. Other US plays with wide appeal are: "Thunder Rock," "Skin of Our Teeth," "Gaslight," "Men in White," "Family Portrait," "Our Town," and "On Borrowed Time."

THEATER ACTIVITY INCREASING

As of 31 December there were 375 theater licenses as compared with 244 on 30 June. Registrations increased from 11,694 on 30 June, to 20,205 on 31 December. While only three American plays were being presented as of 30 June, on 31 December, 14 were being shown in 48 German theaters in Germany. Royalties from stage productions totaled RM 134,000 at the end of the year compared with RM 49,000 at the end of June. On 3 July, the first national meeting of the Genossenschaft Deutscher Buehnenangehoeriger (Actors' Equity) was held at Weimar (Soviet Zone of Germany). US and Allied Theater and Music Officers and German representatives of the US Zone attended. Agreement at quadripartite level was reached on the establishment of a Theater Trade Court (Buehnenschiedsgericht) composed of one representative each of the employers' and employees organizations. Military Government on 25 October introduced Theater and Music in the curriculum of colleges and high schools as an instrument of re-education and reorientation of German youth.

Demonstrating to the German people that musical art flourishes in the United States, MG Music Control officers and their German assistants have arranged for 128 performances of 45 representative chamber-music and orchestral works by American composers in the four occupation zones of Germany. Americans whose works have been presented include such names as Barber, Bernstein, Bloch, Carter, Copland, Dello Joio, Diamond, Gershwin, Griffes, Hanson, Ives, Loeffler, McBride, Piston, Porter, Schumann, Sessions, and Thompson. German composers, whose works are world renowned, likewise were well represented in concert performances throughout the zone.

Many conferences between the Allied Music Control Officers have resulted in the recognition by all four occupying powers that music copyright laws must be respected in Germany. Musical works are fully protected by copyright law in Germany, and performance fees are automatically collected by the German Performance Rights Society (STAGMA) in all four zones of Germany.

MUSIC FOR GERMAN YOUTH

US Music Control Officers are exerting every effort to bring musical works to German youth to which they can listen with increased enjoyment and understanding, and in which they can actively participate. Special symphony concerts and similar musical programs for German youth are on the increase.

Military Government has granted licenses to music publishers, orchestras, opera companies, producers of musical performances, and phonograph-recording manufacturers, and has registered musicians, such as vocalists, instrumentalists, and teachers.

Throughout the whole field of Information Control, Germans who applied for work in any of its fields are carefully screened by the Intelligence Branch. In addition, that branch makes public opinion surveys, to give Military Government an insight into the thoughts and reaction of German citizenry to MG directives, policies, and projects.



Newspapers Praise Marshall's Statement Rejecting Politics

The US press and radio unanimously welcomed Secretary of State Marshall's statement that he "never can be considered a candidate for political office" as immeasurably strengthening his hand in continuing and furthering US bi-partisan foreign policy.

They linked Marshall's appointment and his forthright statement as symbolic of the non-political nature of US foreign policy.

Washington Post: "What this country needs most is a foreign policy that does not bear a partisan label but is national in the finest and truest sense and has the support of both parties. Such a policy Marshall would have been pursued in any case just as it was pursued, with President Truman's complete support, by Secretary Byrnes and is still being pursued by Senators Vandenberg and Connally. But if the new Secretary had not positively eliminated himself from any political consideration, he would have left himself open to the danger of having every action interpreted in the light of the 1948 election. Thank Heaven, we are to be spared that."

St. Louis Globe-Democrat: "He alludes to the secretaryship as non-political. Certainly it is and must remain non-partisan. The United States has successfully halted politics at the water's edge; Republicans and Democrats support the American foreign policy. That attitude must continue and be bulwarked."

Baltimore Sun: "In making his stand so very clear and explicit he accomplishes several things. First, he removes the last lingering doubt as to the wisdom of his appointment. The tradition of this country, and it is a good one, is not to mix military matters and personalities with civilian politics. Marshall makes it clear that he will not be a party to any such mixture."

"Second, he serves notice on the politicians that so far as he is concerned our foreign policy is to remain bipartisan, or, as he would doubtless prefer to say, 'non-partisan' . . . Third, Marshall thus tells the world as well that our foreign policy remains a national rather than a partisan policy. The world must know that when Marshall speaks he speaks not for Republicans, nor for Democrats, but for the nation."

Cleveland Plain Dealer: "Marshall most fittingly places the office of Secretary of State, at this critical juncture in man's quest for lasting peace, above politics, beyond partisanship. His straightforward utterance raises higher the high hopes, yes, the virtual certainty, that Marshall is the man under whom will fructify the foreign policies so ably formulated by his predecessor, James F. Byrnes."

Washington Evening Star: "The statement is in keeping with Marshall's character and it is well that it has been made now. It clears the air of discussion that could become as embarrassing as interminable and which would handicap him in the effective execution of his responsibilities. Aside from his own qualification, Marshall's appointment is symbolic of the nonpolitical character of our foreign policy and its administration."

"There is one contingency, of course . . . that would be the death of the President of the United States, to whose office Marshall would automatically succeed. Such an act of God does not belong in the category of speculation to which referred."

Atomic Controls

With the postponement of the Security Council's consideration of General disarmament and international atomic controls, several US newspapers took the respite in the official debate to review the situation as it now stands in regard to atomic controls.

As they have many times before, the papers emphasized the tremendous responsibility which UN delegates bear to evolve a truly workable plan for control of atomic power for peaceful rather than destructive purposes. Some called on the Soviet Union to state more clearly and specifically how it would have atomic power controlled effectively, on a collective basis.

The New York Times commented on a plan, which it said had been suggested in some British quarters, that an International Atomic Authority, in which Big Power veto would not be operative, should designate punishment for violations of atomic conventions, rather than the Security Council where veto power is held by its permanent members.

Expressing doubt that this plan would insure prompt, effective and veto-less punishment for violators of any agreed international atomic controls, **The Times** added:

"There are two more fundamental difficulties in the British plan. First is that it would establish in the United Nations two separate authorities empowered to order member nations to go to war, in one of which the violator of the convention could raise at least doubt about legality of the other's action, thus sowing international confusion and blunting the edge of whatever action might be ordered. Second is that in order to do its work properly the atomic authority would have to consist primarily of technical experts, and it is at least questionable whether so grave and so highly political a question as a declaration of war should be entrusted to non-political technicians likely to be insensible to imponderables of the situation. The plan does not even touch on the problem of how UN forces are to be raised, organized and coordinated without action by the Security Council, which the UN Charter entrusts with that function.

"There is one final consideration. Protection of the world against an atomic holocaust will be achieved not by finespun diplomatic formulas or juggling of agencies, but by the willingness and determination of all nations to abide by the atomic law. That means renunciation of all legal loopholes for evasion.

Until agreement on that point has been reached, and until an effective international control system is in operation, there is no reason for the United States either to abandon or to share its most potent weapon."

San Francisco News: "Unless nations accept the right of international inspection within their territories and surrender the right to veto punishment of willful violators, treaties on such subjects will offer no security.

"Russia, which first raised the cry of 'atom diplomacy' against us, paradoxically became the first nation to block action on plans for internationalizing atomic energy. So now, the familiar question is heard again: What does the Soviet Union really want?

"Russians say they want a general disarmament program considered first, or at least simultaneously with study of the Atomic Control Plan, but if and when general disarmament understanding approaches the point of agreement, will they sign up, or will they again demand prompt action on some new subject, thus diverting attention from the case in point?

". . . Exactly the same safeguards provided in the Atomic Control Plan must be incorporated in any general disarmament agreement to which America becomes a party, for the principles involved have almost universal support in this country."

Cincinnati Enquirer, regarding the problem as "a matter of tactics," suggested that nations might reach agreement sooner on disarmament phases other than atomic power. It contented that the veto debate would become meaningless if one of the major powers violated its pledge not to manufacture atomic bombs. In such event, collective action would be taken veto or no, **The Enquirer** maintained.

The Enquirer concluded: "We cannot afford to yield any essential feature of the Baruch Plan, which was fair and which in the main already has been approved all around. But we can well afford to give some ground on details, when the alternative may be to divide the world more sharply."

Branch helps coordinate pay schedules for certain groups of employees whose work cuts across zonal boundaries, such as that of railroad and postal workers. It surveys the wage structure in various industries and localities, aiming to remove existing wage inequalities and to stimulate essential peacetime industries. It cooperates with other divisions in forming a broad policy to fight inflation and the black market. It makes recommendations for introducing wage and non-wage incentive systems to increase output and promote industrial efficiency, and it recommends new wage plans for attracting apprentices to essential occupations.

The Standards Branch also carries out the provisions of the Potsdam Agreement concerning the German standard of living. There are still other important fields in which the Standards Branch has jurisdiction. It watches over hours of work and working conditions and guides protective labor legislation, especially regulations regarding employment of women, children, and home labor. In the field of housing, the Standards Branch tries to apportion space on the basis of critical need, to make sure that Nazi discrimination is eradicated, and to develop standards for emergency repair.

The activities of the **Labor Relations Branch** are focused on safeguarding and promoting democratic principles in the forming of trade union organizations and on the developing of policies for the revision of German Labor Law.

At the quadripartite level, the Labor Relations Branch is responsible for a policy check on the activities of work councils, authorized by the Allied Control Authority Law No. 22 of 10 April 1946; a policy check on the activities of labor courts, authorized by the ACA Law 21; and also a check on conciliation and arbitration proceedings to see what has been done to prevent and smooth out labor disputes, authorized by the ACA Law 35 on 20 August 1946.

German workers must be informed of their rights and obligations under ACA laws, and

notices of these facts are posted in all establishments. Free democratic trade unions and free collective bargaining are primary goals of the Labor Relations Branch. Since no quadripartite agreement has yet been reached for the organization of German trade unions, the Labor Relations Branch in encouraging such activities within the US Zone. Numerous trade unions have already been formed on a Land level, and Landwide federations of trade unions have been established. The Labor Relations Branch also has helped to arrange several interzonal trade union conferences, although no formal quadripartite action has yet been taken on the holding of such meetings.

Planning programs for workers' education is another function of the Labor Relations Branch. These projects are designed to train competent trade union leaders, employee representatives on labor courts, and arbitration panels. To a large extent, the success of these educational programs — particularly for younger workers — will determine the strength and direction of the labor movement in the future. And strong labor movement can contribute greatly to the reeducation of the German people in the ways of democracy.

The **Social Insurance Branch** forms policies on several types of insurance including health insurance, workmen's compensation, unemployment, old age, and survivors' insurance. Of first importance today is the proposed compulsory social insurance law for Germany. The Branch also has discussed with the German authorities of the US Zone the establishment of a temporary unemployment insurance system for 1947.

Proposed measures include an immediate modification of miners' insurance, eliminating the need for heavy state subsidies; social insurance for farmers, probably leaving it to the individual Laender to decide whether or not it shall be on a compulsory basis; and assimilation of war pensioners into the social insurance system. The last project provides for definite standards under which former

war pensioners will receive social insurance instead of military pensions.

Two aspects of the social insurance program require special consideration: The social insurance rights of expellees from other countries, and the social insurance claims for Allied nationals. At present, plans are being drafted for expellees to be treated equally with other Germans on the basis of rights accumulated in the country from which they were expelled. As for the insurance rights of Allied nationals acquired while working in Germany during the war, these accrue from contributions paid under the German social insurance system and are no longer collectible. The German Land social insurance authorities give priority treatment to United Nations' displaced persons and those who were deprived of social insurance benefits because of race, creed, nationality, political opinion, or because of activities hostile to the Nazi state.

It is the goal of the Social Insurance Branch to establish a uniform social security system throughout Germany. In those instances, however, where quadripartite agreement is being delayed, Land governments are permitted to take action, particularly in eliminating Nazi principles and in operating former national agencies on a Land basis.

All of the branches of the Manpower Division look to the **Reports and Statistics Branch** for collecting and disseminating information and for giving them advice. Specifically, this Branch has four main func-

tions: To supply facts on conditions in the manpower field including whether or not MG policies are being carried out; to provide other Divisions of OMGUS with information on manpower matters useful to their work; to give labor and housing information to responsible US agencies in the Zone; and to inform the director and other branches of the Manpower Division of new developments for use in quadripartite and bipartite negotiations, and in carrying out MG objectives in the US Zone.

In the field, the Reports and Statistic Branch promotes uniformity of procedure by inspecting and supervising German labor statistical agencies at the Land and lower levels. Its representatives attend conferences of the Laenderrat Labor Supply and Labor Statistical Committees, and it joins other branches of the Manpower Division in conducting field surveys and sample studies. Briefly, the Branch serves as a central source for information and as an advisor on all labor problems in Germany.

As the reconstruction of the German economy gains momentum, the role of the Manpower Division as a whole probably will increase in importance. The revival of production and the increase of industrial efficiency are dependent upon the solution of all problems under the jurisdiction of the Manpower Division — adequate supply of skilled labor, protection of the social status of workers, and decent wage rates and working conditions.

Report on "Operation Spud"

US Army trucks between 4 November and 1 January transported sufficient German potatoes to supply approximately 430,000 Germans for a period of six months at a pound per person a day, and enough food to provide 2½ cubic meters for about 103,000 families for the entire winter.

The program, called "Operation Spud," was inaugurated by USFET to aid German farmers to move potatoes, grain, firewood,

and general farm produce to central points for distribution and consumption. Commodities were initially carried by German transport to collecting points, and from there they were transported by US Army vehicles.

Forty-six military communities made 20 percent of their general purpose trucks available to Military Government, and the use of such vehicles was limited to a radius of 50 miles.