

## **Military government weekly information bulletin. Number 101 July 1947**

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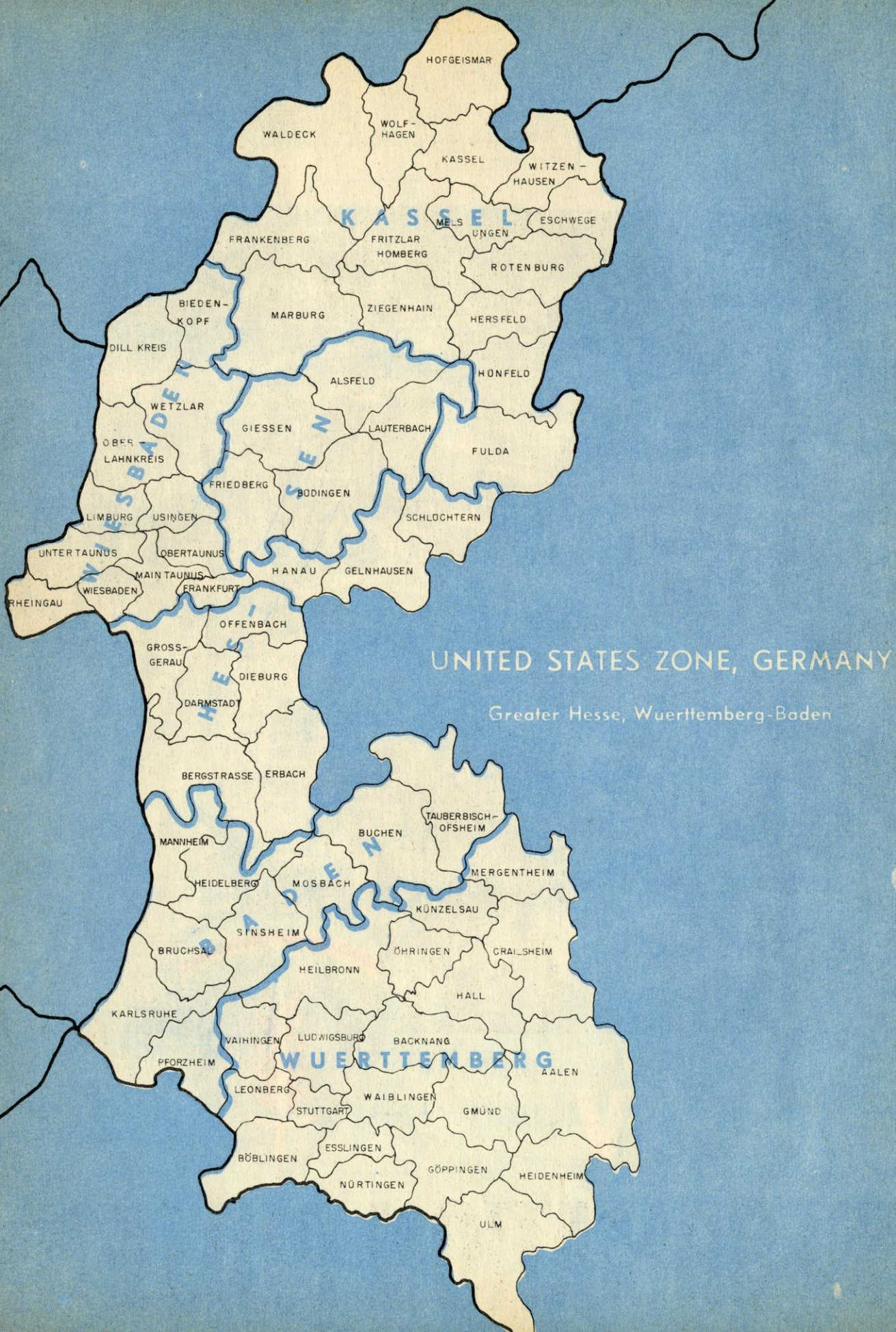
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# WEEKLY INFORMATION BULLETIN







## COVER PICTURE

*Cotton for Germany—Part of 8,000 bales of cotton on the Bremen docks which have been imported from the United States for use in the Germany economy. MG's concern with the rehabilitation of the cotton manufactures is the subject of the article on page 2.*

(Photo by BOWLDS, PIO, OMGUS)

## OUR CONTRIBUTORS

Material for **Cotton Plan for Germany** was furnished by the Textile and Consumer Goods Section, Economics Division.

The Administration of Justice Branch, Legal Division, submitted the facts used for the article on **New Role in MG Courts**.

**Germany Votes** was prepared by Richard M. Scammon, Chief of the Elections and Political Parties Branch, Civil Administration Division. Mr. Scammon, a Detachment MGO during the war, was Political Officer in Wuerttemberg-Baden for the late Col. W. W. Dawson from July 1945 to October 1946; since that date he has been in Berlin in his present office.

Mr. Richardson Bronson, IG Farben Control Officer for the US Zone, Decartelization Branch, Economics Division, furnished the material for **Decartelizing IG Farben**. In June 1945 Mr. Bronson was a member of the US Group Control Council, the forerunner of OMGUS. He was loaned to IG Farben Control Seizure in June 1945, and has been with them since that time.

## NEXT WEEK

Issue 102, 21 July, of the *Weekly Information Bulletin* is scheduling articles on the international summer schools being held in the US Zone, the control of insects by use of DDT, and the youth parliament of Stuttgart. The final installment of MGR Title I also will appear in this number of the magazine.

# MILITARY GOVERNMENT

# WEEKLY INFORMATION BULLETIN

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# COTTON PLAN for GERMANY

**C**OTTON is as important to Germany right now as it is to Senator John Bankhead of Alabama, or any US political leader from the magnolia and cotton-picking belt. For in the rehabilitation of Germany cotton products can play a vital and important part, and have a significance undreamed of in the days when Germany's economy was built on her supremacy in heavy industry and chemicals.

Military Government's occupation policy in Germany is to make the country, if possible, self sufficient through industries which cannot be converted to war production. Obviously the production of cotton textiles fits the recipe. The present world shortage of textiles and the fact that the United States is a cotton-exporting nation adds to the desirability of increasing the output of finished cotton goods in the zones of occupation.

The German textile plants in the British and US Zones were around 25 percent destroyed during the war. At present there are about 1200 textile plants in the American Zone. In 1939 there were 14 million spindles in Germany. Today, there are a maximum of 4,200,000 in the combined zones, with the chance that in the next six months three-fourths of a million additional spindles may be rehabilitated.

Last winter's severe cold shut down textile production almost completely, but it is hoped no such situation will curtail output during the coming winter. Coal is being stockpiled to keep the plants workable. The textile plants

in the US Zone are predominantly run by hydro-electric power, and if the rivers freeze as they did during the past winter planned production schedules cannot be met. From the point of view of fuel consumption cotton products are much more practical for Germany than synthetics—it requires 14 tons of coal for every ton of rayon. The hydro-electric-run plants used in cotton textile production here use only two tons of coal for one ton of finished goods. If, as is often the case, the mill owns and operates its own individual power plant, about four tons of coal are required per ton of finished goods.

The Economics Division of OMGUS sees manifold advantages for high cotton production. The German economy needs goods desperately—baby outfits, clothing, uniforms for doctors and nurses, tire cords, sewing thread, fire hose, conveyor belts, waddings, bandages, twine, and fishing nets among others. The German economy also needs dollar credits to pay for food imports. The export of highly finished cotton goods is a partial answer to the country's most serious problem.

**F**ROM the point of view of the United States, it is highly desirable to establish US cotton in this market. American cotton has certain disadvantages on the world markets. Russia, India, and Brazil ship net weight; the United States ships gross weight, and its bales are considered unwieldy and hard to handle. Our

cotton is not considered as cleanly picked as cotton received from countries where peasant labor is extremely cheap. Cotton brokers in Bremen report that Russian cotton, which they received in rather small quantities before the war, was regarded as highly desirable, because it was so clean.

Russia grows around three and a half to four million bales of cotton a year, mostly in the Soviet State of Georgia. Almost all of it is used at home, and grown by very crude methods, but under the new five year plan they expect to modernize and greatly increase production.

**B**RAZIL produces two and a half to three million bales of cotton a year, and Britain has brought some Brazilian cotton into its zone.

American cotton brokers have long fumed because cotton growers have persisted in baling cotton in jute, grown in India, instead of using cotton itself. This may be changed as far as cotton intended for the German market is concerned. The suggestion has been made that the textile industry here manufacture cotton bagging for wrapping. The drawback to such a plan is the cost—burlap of the quality now used costs 16 cents per square yard; cotton bagging which meets US Department of Agriculture specifications would cost 24 cents per square yard in the US Zone. Textile mills may be able to produce it more cheaply.

The question of financing cotton imported from the United States to the British and American Zones has been





(Photo by BYERS)

studied recently by a group of cotton experts from the United States who toured the zone inspecting mills and processing methods, and conferring with MG officials. The mission included Colonel Paul Cleveland, of the War Department Civil Affairs Division; Henry Koch, of the State Department; Julius Schnitzer, from the Department of Commerce; August Maffry and George Galloway, both of the Import-Export Bank; Benjamin J. Williams, of the Pope Williams Company in New Orleans; Sydnor Oden of the Anderson, Clayton Company, Houston, Texas; Carl F. Bartz of the American Cotton Supply Corporation, in Dallas, Texas; and H. C. Schuebeler, G. H. McFadden & Bros.

**T**HESE experts reached an agreement with representatives of British and US Military Governments, which provides for setting up machinery to finance importation, processing, and sale of cotton and textiles in the British and US Zones.

This plan (which must be approved by the American Cotton Supply Corporation and the American Export-Import Bank) provides for setting up the American Cotton Supply Corporation of New York, of which any shipper of American cotton, who is a US resident, can become a member. The corporation will accept drafts for cotton deliveries to the joint British-American areas in Germany at Bremen or other German ports, if the import has been authorized by the Joint Export-Import Agency at Minden. Ger-

*Financial and cotton experts in Berlin for discussions with British and US Military Government officials relative to proposed general plan for the importation, processing, financing, and sale of cotton and textiles in the joint US/UK Zones. Left to right: Carl F. Bartz, American Cotton Supply Corporation, Dallas; B. J. Williams, Pope Williams Company, New Orleans; Paul Cleveland, War Department Civil Affairs Division; Sydnor Oden, Anderson Clayton Company, Houston; August Maffry, Export-Import Bank; Henry Koch, State Department; H. C. Schuebeler, European Agent G. H. McFadden & Bros.; Julius Schnitzer, Department of Commerce.*

man mill operators in the two zones will arrange for imports from the corporation through agents, after they have received the license from the JEIA.

The drafts which will be accepted by the American Cotton Supply Corporation will be for nine months, unless earlier payment is made and the Joint Export-Import Agency agrees to put the American Cotton Supply Corporation in funds to meet the draft.

The draft will be payable in dollars, although sales may be made in any currency acceptable to the JEIA. Sales will also be arranged as much as possible through normal commercial channels, Colonel Cleveland said, but for the benefit of the Joint Export-Import Agency.

The American Export-Import Bank has given a commitment to discount or purchase directly or through a shipper's home bank drafts up to the amount of \$19,000,000 outstanding at any one time. The yearly interest rate charged by the Export-Import Bank will be two and a half percent and additional charges will be made to cover the expenses of the American Cotton Supply Company. Initially the

charge should not exceed three-fourths of one percent.

**G**REAT flexibility of operation will be given the Joint Export-Import Agency through this method of financing. Sole security for the draft will be the general undertaking of the Agency to put the American Cotton Supply Corporation in funds to pay drafts at maturity. At the same time no specific lien or title will be kept on the cotton or textiles manufactured from this cotton, by the American Cotton Supply Corporation.

It is anticipated that the first cotton to be shipped under this agreement will reach Germany this fall, probably in October.

The all-important question of whether this cotton will be brought in at American price, or American export price has not yet been settled. Cotton heretofore brought to Germany came at the American price (the average price at ten markets on the day the cotton moved to port). American export price would be about four and a half cents less, although, of course, the fluctuating market in cotton is one of the planning difficulties of any exact long-range program.



# New Role in MG COURTS

**I**N those first months after guns ceased firing in Germany, the job of the Military Government courts was protecting the occupation. Security was their watchword and their consideration of cases was governed by that viewpoint.

But today, MG courts are playing a new role. Acting more as civil than military courts, they now have the thoughtful task of impressing upon the German people the doctrine of the rights and responsibilities of the individual.

For too long, the people of Germany have considered courts as a type of paternal organization guided by the grace of the sovereign. They did not consider the law as their law giving them rights and responsibilities. The US doctrine that law is the exercise of the sovereignty of the people establishing rights and responsibilities is still generally unknown to them. MG officials see in the new role of the courts a way to demonstrate this concept.

It is also an opportunity to show the German people that the Laender constitutions they have drawn up are full of meaning. The democratic rights and privileges stated in the constitutions should to be protected by the MG courts, and justice should be meted out to all persons with these democratic principles always in mind.

Accomplishing this new task with effectiveness requires time. Although burdened with a great number of cases, the judges nevertheless must give studied consideration to each case and they have had difficulty in treating each one with the study required. Present trends indicate that the number of cases is increasing rather than decreasing. In 1946, there were a total of 159,536 cases tried. In

the first four months of 1947 there were 48,197 cases brought before the Military Government courts, as compared with 47,088 cases in the first four months of 1946.

**I**T will be necessary, therefore, to reduce the number of cases coming before the MG courts. The courts should not be burdened with trivial cases and technical violations of the law when the interest of Military Government and public order is not involved. Some cases could now be heard by German courts and methods of effectuating their transference are under consideration.

Cases which might be transferred include minor thefts, lack of proper identification, and cases involving ordinary police problems. As a general policy, cases should not be transferred from MG to German courts where the accused is before the MG court because of his personal status, such as being a UN national. Land Directors should be given discretion in the matter of determining which cases falling within these general classifications are to be transferred from one type of court to another. Any arrangement for a transfer of such cases is purely administrative and will create no right in an accused to have his case tried in one court or another. The determination of the court to try the case will remain in Military Government. As a general rule, however, cases involving violations of German law by Germans should always be tried in German courts.

A reduction in the number of cases and efficiency in their handling also may be effected through closer cooperation with the Constabulary and the Provost Marshal. Members of the Legal Division have taken part in conferences with the Constabulary

giving information talks on such subjects as arrest and the preparation of cases for trial. Good investigation and accumulation of relevant evidence and its proper presentation saves much time when the case comes to trial.

When a case comes before a court in the United States, the US judge is the least informed person as to the facts of that case. Under continental law the judge is the most informed person and must know in advance the evidence to be introduced so he can interrogate the accused intelligently, for under continental law the judge examines the witnesses. Procedure in MG courts has combined these two systems. But since the German lawyers are unaccustomed to our procedure whereby the lawyer conducts the presentation of the evidence, an MG court judge must be alert to see that the rights of an accused are protected.

**M**ILITARY Government has three types of courts in which to try its cases: the Summary courts, with one judge who has power to impose sentence of one year or less and fines not in excess of RM 10,000; the Intermediate courts, with one to three judges, who can impose any lawful sentence except death or imprisonment not in excess of 10 years or RM 100,000; and General courts, with three or more judges, which may impose any sentence including the death sentence except that any death sentence must be confirmed by the Commander-in-Chief, European Command, or his designee. All cases are subject to review by the Reviewing Authority. In the US Zone and Berlin Sector there are a total of 216 Summary, 38 Intermediate, and 11 General MG courts.



In addition, there is one clemency board in each of the Laender, plus the OMGUS Clemency Board, whose jurisdiction embraces the entire US Zone of Occupation. The latter has heard 363 cases in 11 sessions. Certain cases were specifically referred to it by MG legal officers. The largest number of cases (174) have been weapons cases; while the second highest in number (64) have involved Fragebogen problems.

**W**EAPONS cases are numerous but usually involve technical violations having no sinister motive. Many farmers and hunters hid guns for their own use and did not surrender them in 1945. The original guide set for sentence in weapons cases was severe—10 years for unlawful possession. Large numbers of persons convicted under this law now are appearing before clemency boards.

As MG courts move toward their goal of increasing the responsibilities of the German authorities they see a need for indoctrinating American concepts into the minds of those Germans charged with the administration of justice. German prosecutors versed in the American approach and procedure are very scarce. One Legal Officer has arranged for young, promising Germans to work with American prosecutors and later as prosecutors before MG courts. Watching the procedure in the MG courts, such "trainees" are gaining invaluable experience for later work in their own German courts. Education of German lawyers and law students is a long process and under present handicaps is very difficult.

One of the most effective ways of educating the Germans in our concept of democratic justice is through the MG courts. That is one of the main reasons why each of these courts should be zealous to see that those concepts are followed in the consideration of cases before them.

(ARMY SIGNAL CORPS photos)  
*MG Court in Frankfurt. (Below) A view of the MG court room at the Military Government building, Nuremberg. Today, MG Courts are acting more as civil than military courts.*





# Decartelizing



(Photos by ILLUS; KEYSTONE VIEW)

*Friedrich Bayer and Company, Leverkusen, was one of the two most powerful chemical firms in Germany. It pooled its assets with another company in Ludwigshafen—and this was the beginning of IG Farben, although not until the merger of nine firms in 1925 was the present IG born. This, however, was the parent plant. (below) Some of the 4 directors of the IG Farben concerns. Geheimrat Hermann Schmitz was president of the board of directors (Vorstand) of Farben; Georg von Schnitzler was commercial director of the division which controlled all dye-stuffs, commercial chemicals, and pharmaceuticals; Dr. Fritz ter Meer, an outstanding scientist, was chief of the technical board of the Vorstand. All these men pictured—once so powerful in IG Farben—are awaiting trial.*



# IG FARBEN

**E**VERYBODY is afraid of IG Farben. American congressmen who listened to the Military Affairs Committee hearings on the convolutions of the Farben empire, plain American citizens who read of it and shivered a little over their morning coffee, GIs who look at ruined buildings in shattered Europe, all think of Farben as some monstrous evil that spread like the Black Death.

This reaction is one which the Allied Military Governments consider fully justified. The job of deactivating Farben is one of the most important MG undertakings in the US Zone.

Without Farben, Germany could not have waged war. Not only did IG furnish Germany with the tools of destruction, but it constituted one of the Nazi's most effective weapons of economic and political warfare against the other nations of the world. So tremendous and complex were its operations that their full significance and scope may never be known. In anticipation of Allied victory thousands of Farben's secrets went underground along with other German resources to "lay the foundation for World War III;" and thousands of its important files were destroyed just before they could be captured by Allied troops.

Officials of IG Farbenindustrie started planning for reconstruction from the moment a realistic analysis showed them the inevitability of defeat in the war. Farben had always prided itself on outwitting governments.

In May 1945 when all the leading officials of IG were detained for interrogation, a letter from Max Ilgner (key Farben official and nephew of Dr. Hermann Schmitz, chairman of the IG managing board), was intercepted by US authorities. Ilgner wrote to two of his associates in the Farben central finance department. He instructed them to keep in as close touch as possible with each other and with other Farben leaders. He predicted that the

American authorities would eventually permit resumption of IG operations and stressed the need of keeping the organization alive in expectation of this development.

**F**AR more serious and dangerous moves to keep IG Farben's international inter-connections have come to light through the alterness of the American Military Intelligence channels, and have been thwarted.

One problem faced by the quadripartite control authority is to keep those Farben plants in operation which are necessary to the German economy, while at the same time destroying the capacity of the Farben organization to reassemble itself as a threat to the peace of the world at any future time. The US IG Farben Control officer is fully aware that his job is not only to dismember Farben now, but to make it impossible for Farben to rise again.

It is interesting to note that approximately 58.55 percent of the properties actually a part of the former IG Farben ownership were located in the Soviet Zone, that approximately 20.20 percent were in the French Zone, 11.50 percent in the British Zone, and 9.75 percent in the US Zone. However, IG Farben had extensive interests through "participations" in other enterprises, not to mention investments throughout Germany and the world, so that actually, in the US Zone, the percentage represented by the US Zone is far greater than 9.75 percent.

What, exactly, has been done?

Mr. Richardson Bronson, the present US IG Farben Control Officer says, "At the present time, IG Farben, as such, does not exist, nor does it own or operate any property. All of the plants formerly owned by it in the US Zone, which have been or are to be retained as necessary to the German economy, are under the administration of Military Government, and no longer may be classed and considered as IG Farben plants. In six

months, IG Farben will be remembered as only a bad dream."

**T**HE United States led in taking active steps in breaking up IG Farben. Under General Order No. 2, issued on 5 July 1945, all IG Farben properties and assets in the US Zone were seized. Col. Edwin S. Pillsbury was appointed Control Officer by General Clay. Col. Pillsbury delegated authority to Sub-Control Officers to take charge of the various properties throughout the zone, and a staff was built up to carry on the administration. Two weeks later the French followed suit, then the Russian a month later, and finally the British in November.

The next step in the dissection of IG Farben was the promulgation of Control Council Law No. 9 which provided quadripartitely that all assets owned or controlled by IG Farben in Germany were vested in the Control Council. Four Control Officers were provided for by the Law, one for each zone, who became the quadripartite IG Farben Control Committee. Each Officer became responsible for the Farben assets in his respective zone. The Farben assets outside of Germany are provided for under Control Council Law No. 5, which vested in the German External Property Commission the title to all German assets outside of Germany. Within each country, however, different administration has been adopted. This is a matter outside the jurisdiction of the four IG Farben Control Officers.

**U**NDER Law No. 9, the IG Farben Control Committee has certain definite objectives to be accomplished: to make properties available for reparations and for destruction as war potential; dispersion of ownership of the remaining properties and assets; control of research and production in the various operating properties; and the termination of all cartel relationships. These various objectives have been accomplished in each zone, dependent upon the existing administration for such over-all objectives, as applicable to German industry. In the US Zone, coordination has been maintained with the US represent-



atives of the Reparations Directorate; with the agency responsible for the destruction of the war potential; with the group responsible for control of research; and with the Industry Branch of the Economics Division responsible for the control of production in the US Zone. In each instance, the Farben properties are considered as part of the over-all problem, subject to the fact that Farben, to a substantial degree, is treated as an individual problem in accordance with Control Council Law No. 9.

Many Farben plants or elements of plants have been designated for reparations; many having an intrinsic war potential have been destroyed.

**C**ERTAIN plants and properties are necessary for the German economy, and these are being retained but are being established as independent economic units. In the US Zone approximately 50 of such economic units have, in fact, been established, and throughout the four zones it is expected that approximately 200 of the

former Farben properties will be established as independent units.

In the US Zone, the approximately 50 properties which US Military Government has considered necessary for retention and for operation are now separate independent economic units under the control of a separate trustee for each appointed by the US IG Farben Control Officer, following nominations made by the Minister-President of the Land in which each plant is located. For the last year and a half, all of the properties were under the control of Property Control Branch of Finance Division, but now have swung back for their administration and control to the IG Farben Control Office. In order to keep the appointment of the trustees from becoming political selections, all nominations for trustees are of men who were formerly connected with the plant. The trustee cannot have been a key Farben man nor can he have had an objectionable political background.

As the plants are set up, new names have been adopted for most of them as a psychological program to destroy

the Farben idea and the Farben complex, and actually to establish an existence independent of the Farben background. The only exceptions provided for to date are uses of the former names when they are sufficiently apart from the Farben background and history that they are considered acceptable.

The trustee runs the plant and engages in normal manufacture; but no article may "constitute an intrinsic war potential." If the trustee decides he wants to extend the business, he can't do it without MG approval. The trustee uses Farben patents; can obtain credits on commercial loans, provided the term of the loan doesn't exceed a year. He can enter into trade agreements—for one year only. With the consent of the IG Farben Control Officer he can discharge a mortgage, open and close a bank account, acquire fixed assets, and delegate part of his duties to a third party. He can even use certain trade mark or trade names formerly belonging to Farben, but this requires express approval of the Control Officer. He can conduct litigation in his own name as trustee.

**A**MONG the things the trustee can't do are: lease any property of the enterprise for a period of more than a year, give a mortgage on any of the real estate of the enterprise, or place a charge on any of its fixed assets, such as machinery or equipment.

Research by IG scientists is regarded with great wariness by the IG Farben Control Offices. No one wants to muzzle legitimate scientific experimentation which might result in great peacetime benefits to Germany and the rest of the world. On the other hand, the lurking suspicion persists that skilled men of fanatic nationalistic loyalties might secretly carry on research which could menace the structure MG is trying to rebuild in Germany. Therefore rigid controls of research in IG establishments in the US Zone have been put into effect.

One of the main difficulties faced by Farben Control Officers who are charged with destroying this great combine is the deep loyalty IG employees felt for the Corporation. Far-

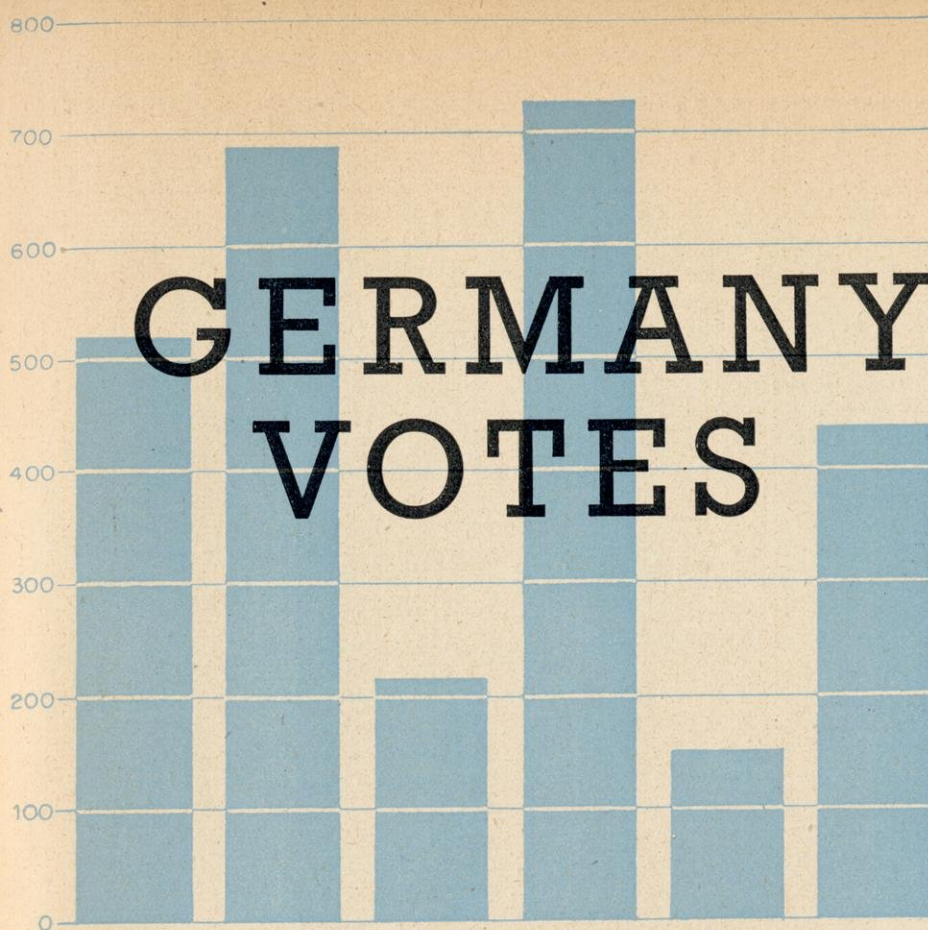
(Continued to page 16)

*Dr. Max Ilgner talking to a friend on board a plane. Dr. Ilgner built up a world-wide spy ring for IG Farben's economic espionage. Today he is behind bars at Nuremberg awaiting trial.*

(Photo from DEUTSCHER VERLAG)







By Richard M. Scammon

**W**ITH the balloting in the three French Zone states on 17 May the election of German representative bodies in all areas of Germany is now complete. Without any prior collective decision by the Allies, the elections of these Landtage, or state legislatures, have almost themselves delimited the boundaries of the future German states — five in the Soviet Zone, four in the British and American, three in the French. In all, 16 states have now chosen legislative bodies; with the addition of Berlin, whose status as city, state, or zone remains unsettled, each of the 17 major political sub-divisions of Germany now has an elected body as the representative of its citizens.

These 17 sub-divisions (now all popularly called Laender with the exception of Berlin and the Hansestadt Hamburg) vary greatly in population—ranging from half-a-million in Land Bremen to upwards of 12 million in Land North Rhine-Westphalia—and differ in physical size, for Berlin, Hamburg, and Bremen are small-area metropolitan districts. Despite these variations, there are remarkable likenesses

in the various representative bodies elected. Excepting the three urban areas, all are labelled "Landtag;" all are fairly uniform in size, the difference between the 60 delegates in the smallest Landtag, that of South Baden, and the 216 in the largest, North Rhine-Westphalia, being considerably less than the American range—35 in Delaware to 443 in New Hampshire.

**A**LL 17 legislatures were elected within a seven months' period of time (13 October 1946 to 17 May 1947); all were elected on the basis of political conflict between political parties; all were elected by systems of proportional voting, though these systems were somewhat modified in the British Zone and in Bremen. While the special circumstances of the Soviet Zone and the elimination of the Social-Democrats there made the political picture in Eastern Germany somewhat different from that in the three western zones of occupation, voters for all these legislative bodies seemed to be interested in the same general over-all problems: economic improvement (food, clothing, shelter), expellees, dismantl-

ing of plants, land reform, the future of Germany. In none of the election contests was there much stress on purely local questions; rather the tendency was to highlight broad policy and general approaches to public problems.

Among the various parties contesting the elections the most important were the Social-Democrats, the Christian Democrats, the Communists, and the group of moderate parties labelled "Democratic" (Liberal Democrats, Free Democrats, Democratic Peoples' party, and so forth). The first, the SPD, under the leadership of Dr. Kurt Schumacher, is a well-organized moderate socialist party based primarily on the organized worker.

**T**HE Christian Democrats are not, like the SPD, a single political party with a recognized Germany-wide leadership; rather the various Christian Democratic and Christian Social parties form a sort of loose federation, each state organization having complete autonomy. Under these circumstances it is difficult to set down a specific program or to identify a leader, within various local groups of the Christian Democrats there are wide variations of policy under numbers of different leaders. Thus the CDU in Berlin, with Jakob Kaiser as its leader, is a fairly progressive group with strong centralist tendencies; alternatively, the French Zone parties affiliated with the CDU tend to be very conservative in their social and economic policy and to be federalist or even autonomous in their ideas of the future structure of German government. Broadly speaking, wherever it may be found, the CDU is based on the farmers, the church-minded voter (especially Catholic), and the more conservative elements in the towns and cities.

The so-called "Democratic" parties are even harder to classify. Like the CDU, they form a loose federation, with each state organization having an independent status. Unlike the CDU, they do not have even the unifying force of the churches to keep a measure of uniformity in their policy. In some states, notably Wuerttemberg-Baden, the Democrats are a socially-minded, progressive force; in others they tend to go even further to the right than the CDU. In almost all areas the Democrats tend to be a party which



finds its strength in the larger towns and cities, especially with middle-class and professional people. Having neither the church (CDU), nor the organized working class (SPD, KPD) on which to base their "apparatus," the Democrats are much less well-organized than the other parties and their membership figures are the lowest of all the major party organizations.

**A**S for the Communists, (KPD), they are at one and the same time the most active and the least effective of the major parties. Though their membership is numerous and constantly engaged in political work-meetings, parades, demonstrations—the result of these efforts has not been very encouraging. Throughout the western zones the percentage of Communist votes goes above 10 only in the larger industrial cities such as Mannheim, in industrial suburbs (as in Frankfurt), and in the complex of industry in the Ruhr area. Though the Communists in the western zones are based largely on the industrial worker, they have made strenuous efforts to enlist support from other elements as well—middle-class, young people, farmers, "new citizens"—all these groups have been the aim of specially-devised Communist propaganda.

While these efforts to secure support from non-industrial working class groups have had considerable success in other countries in Western Europe (in France, Belgium, the Netherlands, and in the Scandinavian countries local Communist parties have registered huge gains in post-war elections), they have had little success in western Germany. In the Wuerttemberg-Hohenzollern area (Wahlkreis 31 in pre-Hitler days), the KPD polled nine percent of the total valid vote in Landtag elections in the US and French Zones into which it is now divided. In the three Reichstag elections of 1932—1933, the Communists polled 11.0, 14.5, and 9.2 percent, getting more support in the March 1933 voting, in which they were virtually outlawed as a party, than they have today.

In northern Germany, in Schleswig-Holstein, a similar example may be cited. In this area (Wahlkreis 13 for pre-Hitler Reichstag voting), the 1932 to 1933 KPD vote of 10.7, 13.3, and

10.7 percent fell to 4.5 percent in last April's Landtag balloting. In the whole of Bavaria "east of the Rhine" the Communists polled 8.0 percent in the July 1932 Reichstag voting, but dropped to 6.1 in the December 1946 Landtag elections. In Hamburg, a strong point of German Communism and home of the late party leader and Presidential candidate in 1932, Ernst Thaelmann, the KPD polled 17.7, 21.9, and 17.6 percent in the 1932—1933 Reichstag elections, but fell to 10.4 in last October's election of a Hamburg council.

**E**VEN in Berlin's city council elections in October 1946 the SED, despite its allegations to be the "united" socialist party, polled but two-thirds of the pre-Hitler Communist vote. Outside Berlin, in the Soviet zone proper, the SED (Socialist Unity party) did well, but it has a special character as a "government" party which makes difficult any comparisons with the KPD, its western zone sister party. The Social-Democrats are not authorized in the Soviet Zone and the two competitors of the SED, the Christian Democrats and the Liberal Democrats, operate on a limited scale and as a quasi-"loyal opposition."

As among the major geographical areas of western Germany the lines of political cleavage indicated in this seven months' series of Landtag elections is about as might be expected from the economic and religious character of the various Laender. In the far south, in Bavaria, South Baden, and South Wuerttemberg, the strong Catholic feeling of the population and its predominantly rural status ensured a clear Christian Democratic majority. In Bavaria the CDU holds 104 seats in a Landtag of 180, in South Baden 34 out of 60, in South Wuerttemberg 34 out of 62. In Bavaria the Social-Democrats are the major competitors of the CDU, the SPD polling heaviest in such industrial centers as Munich, Augsburg, and Nuremberg, but in the two French Zone states the Democrats ran a very good third, especially in South Wuerttemberg.

**T**HE large Catholic population of the southern Rhineland nearly gave the CDU a clear majority in the Rheinland-Pfalz Landtag as well as in the southern Laender, but heavy voting

for the SPD in the larger cities in the Pfalz and Rheinhessen (Kaiserslautern, Ludwigshafen, Frankenthal, Worms) cut down the CDU seats in the legislature to 47 out of 100, with 34 Social-Democrats, 11 Democrats, and eight Communists filling out the total.

**T**HE four states running north-south from Bremen to the French-US zonal boundary (Lower Saxony, North Rhine-Westphalia, Hesse, and Wuerttemberg-Baden) formed a fairly definable pattern: wherever there were large concentrations of Catholic voters, rural or urban, the CDU obtained a heavy vote; in non-Catholic rural areas the CDU tended to be the largest party, with opposition from the SPD, save in those districts in which one of the other non-Marxist parties became the main representative of anti-socialist opinion. This was particularly true in Lower Saxony (where the NLP, or Lower Saxon State party, has emerged as a party of protestant rural elements) and in North Rhine-Westphalia, where the CDU and the Democrats (in this state called "Free Democrats") formed an election alliance.

The Social-Democrats carried almost all the cities in these four states, excepting only those largely Catholic in religious feeling or those with special interests (such as the university city of Heidelberg), and heavy Communist voting was confined to the industrial centers. The various Democratic parties had varying luck in these states, their best showing coming in Wuerttemberg-Baden where they won nearly one-fifth of the Landtag seats.

It is typical of the political contest in this four-state area that in no one of these Laender did any single political party win a clear, over-all majority of the seats in a Landtag. In Protestant Lower Saxony and Hesse the Social-Democrats are the plurality party (65 out of 149 in Lower Saxony, 38 out of 90 in Hesse), but the CDU is a strong second alone in Hesse and nearly equals the strength of the SPD in Lower Saxony with the addition of the NLP seats. In both states the addition of the Democrats to the CDU (plus the NLP in Lower Saxony) gives the anti-SPDers actually more members than those of Dr. Schumacher's organization, though an SPD-Communist co-

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OFFICE  
OF MILITARY GOVERNMENT FOR  
GERMANY (U.S.)

Military Government Regulations

Title 1

General Provisions

Third Installment

b. Receives communications from the field involving policy matters and transmits US policy through appropriate military channels for implementation;

c. Creates such temporary or permanent subcommittees of SWNCC to facilitate the development of US policy in occupied areas.

**T**HE Chief, Civil Affairs Division, War Department Special Staff, formulates policy, prepares plans, and takes action in coordination with other War Department agencies, other agencies of the Government, and international or voluntary relief and welfare agencies on civil affairs/MG matters, including war crimes. He insures that the Secretary of War, the Chief of Staff, and interested staff divisions are properly advised on civil affairs/MG matters.

The basic policy documents governing the machinery of the Allied Control Authority for Germany is the agreement set forth by the European Advisory Commission, 14 November 1944, as amended 1 May 1945. This basic policy was agreed to by the United States of America, the United Kingdom, the USSR and France (see MGR 23—55, MGR 23—56 and MGR 23—57 all published 5 June 1945).

Supreme authority in Germany is exercised, on instructions from their respective governments, by the several Commanders-in-Chief of the Armed Forces of the United States, the United Kingdom, the USSR and France, each in his own zone of occupation, and also jointly, in matters affecting Germany as a whole in their capacity as members of the Control Council. Action taken by the Control Council affecting Military Government in the US Zone is published in these Regulations (Parts 1 and 2, Title 23, MGR).

The Coordinating Committee is composed of the Deputy Military Governors of the four zones of occupation acting as the representatives of each of the Commanders-in-Chief. Actions affecting Military Government in the US Zone are implemented by directives to the field and, where continuing effect on MG administration, are in-

**P**ART 4 deals with the "Functional Organization of Military Government" and in Section A, relates in detail the responsibilities of War and State Departments. The State Department formulates governmental policy with regard to US participation in the occupation and government of occupied areas, and the War Department executes and administers that policy. For proper coordination of policy the State Department has cooperated with the War Department in the establishment in Washington of the State-War-Navy Coordination Committee (hereafter referred to as SWNCC) under chairmanship of the State Department.

SWNCC is responsible for the coordination of US policy with respect to the government of occupied areas and for its communication through appropriate channels to US representatives in the field. It discharges its responsibilities for coordination of US policy through the Directorate of Occupied Areas. The Directorate is headed by an official of the State Department and performs the following duties:

a. Coordinates and expedites the work of the State, War and Navy Departments and, where appropriate, consults with other interested Departments and Agencies in order to develop US policy for such occupied areas;



corporated as revisions of MG Regulations (see MGR 1—417).

**A**N Allied Secretariat, composed of the four national secretaries, is responsible for the agenda and minutes of the Control Council and the Coordinating Committee, translation of papers, issuance of decisions of the Control Council and the Coordinating Committee, and official contacts with foreign military missions accredited to the Control Council. It acts as the channel of communication of the Control Council and Coordinating Committee in all matters presented by the Control Staff and other agencies.

Ten quadripartite directorates, referred to collectively as the Control Staff Directorates, serve under the Coordinating Committee as functional specialists, preparing laws, directives, etc. Chairmanship in the Coordinating Committee, the Directorates, and in the Secretariat rotates in accordance with the nationality of the chairman of the Control Council for the period of one calendar month.

The Control Council has established an Administrative Bureau, composed of a representative of each of the occupying powers, to provide the ACA with the necessary security guard and with services for the proper offices. This Bureau is headed and organized by the US element and functions directly under the US Secretary, ACA.

The Inter-Allied administration of the Greater Berlin Area is the responsibility of the Allied Kommandatura Berlin. It is immediately subordinate in the chain of command to ACA. The basic agreement providing for quadripartite government in the Greater Berlin area is contained in Article 7 of the European Advisory Commission Agreement on Control Machinery in Germany, 14 November 1944, amended 1 May 1945. A restatement of this policy was made on 5 June 1945 (see MGR 23—55). There are three successively higher levels of command at the Allied Kommandatura Berlin. Chairmanship at each level of the Kommandatura rotates monthly in accordance with the nationality of the Commandant of the Allied Kommandatura who serves as chairman during a particular calendar month.

The Assistant to the Deputy Military Governor represents the US Government as US Commandant of the Kommandatura. The Director, OMG Berlin Sector, is the US Deputy Commandant. OMG Berlin Sector is directly responsible to OMGUS and is governed by the policies of OMGUS to the extent that they do not conflict with Kommandatura rulings.

Implementing instructions on quadripartite policies contained in ACA laws, directives, orders, proclamations, and other policy papers are prepared by the appropriate division/office of OMGUS and transmitted to the field offices, making clear the manner in which these policies will be executed in the US Zone.

Section C covers OMGUS and OMGs. OMGUS is the US organization which provides the US Element in the ACA and in the Bipartite organization and has over-all MG responsibilities for the US Zone (as defined in MGR 1—107.1c), as well as the US Sector of Berlin (as defined in MGR 1—430.5).

Commander-in-Chief, European Command (CINCEUR) commands all US troops in the European Command. He is Military Governor of the US Zone, Germany, and the representative of the United States on the Control Council (MGR 1—411) and the Bipartite Board (MGR 1—510.2). In the absence of CINCEUR the Deputy Commander-in-Chief, EUCOM, acts as Commander-in-Chief and as Military Governor.

OMGUS serves as the primary staff of CINCEUR for MG in Germany. For negotiations in ACA, or anything of a purely MG nature, CINCEUR acts through OMGUS. (For functions of Office of Director of Civil Affairs, EUCOM, formerly G—5, USFET, see MGR 1—426.)

**T**HE Deputy Military Governor is the Commanding General, OMGUS. Under the direction of the Military Governor he exercises full control over OMGUS, RGCO, the OMGs for Bavaria, Hesse, Bremen, and Wuerttemberg-Baden, Berlin Sector, Berlin Command, OMGUS (Rear), Office of the Chief Counsel for War Crimes and Military Tribunals. He is also the US member of the Coordinating Committee (see MGR 1—421).

The Assistant to the Deputy Military Governor is the US member of the Allied Kommandatura Berlin (see MGR 1—416.1).

OMGUS provides the US Element for the ACA and for the Bipartite organization. OMGUS is organized into staff and executive offices and functional divisions to cover the extensive and diverse responsibilities of MG. More detailed statements of individual functions and functional relationships of OMGUS appear in appropriate Titles.

Various units of OMGUS offices and divisions are located in Frankfurt area and are attached to the OMGUS (Rear) Echelon executive office for administration. The Chief is responsible directly to the Chief of Staff, OMGUS. He is charged with making necessary travel arrangements for OMGUS personnel, and administrative coordination with Office of Director of Civil Affairs and Headquarters Command, EUCOM.

**O**N 1 March 1946, the State Department reopened four consular offices in Germany—Berlin, Frankfurt, Hamburg, and Stuttgart; on 1 April 1946 offices were opened at Bremen and Munich. Consulates in Germany today are accredited to the Allied Military Government occupying the territory.

Effective 15 March 1947 the Office of the Assistant Chief of Staff, G—5, primarily responsible for maintaining liaison with OMGUS and for troop coordination in the field with MG agencies, was redesignated as the Office of Director of Civil Affairs, EUCOM. Where MG policies and instructions are related to the responsibilities of other elements of the EUCOM staff, these must be coordinated through Director of Civil Affairs, EUCOM, before being issued by OMGUS. OMGUS prepares and transmits to Director of Civil Affairs, EUCOM, functional reports on major developments in MG.

Supervision of Land OMG's by OMGUS is generally through command rather than functional channels, each Land Director being responsible for all MG activities within his area. Command channels between functional divisions of OMGUS and divisions of

(Continued to page 18)





## Coal for Self-Help Program

**C**ONTINUING heavy American press and radio discussion of the Marshall proposal for an integrated European reconstruction program has placed considerable importance on the need for greater coal output for the continent's industries.

Newspapers generally have agreed that the impetus and blueprint for a "self-help" program, buttressed by US financial assistance must come from the European countries jointly. In discussion of Europe's present difficulties, however, several editorials have pointed to the necessity of rehabilitating the Ruhr industrial areas—particularly from the standpoint of more coal production.

A *Washington Post* editorial, in full, stated: "The World Bank's expression of interest in a development scheme in the Ruhr is an event of considerable significance. President McCloy is reported as saying that the Ruhr is the key to European reconstruction. Such a statement from the World Bank head indicates that if the nations concerned could get together in the establishment of a Ruhr coal authority, finance would be forthcoming.

"A feature of the new suggestion is that the authority should give ample operating powers to one man. It is evidently the feeling that the coal czar should be an American who could introduce modern methods of mining operation.

"The suggestion should spur action in Europe. There are several hurdles to overcome, and they are not all European.

"Our occupation authorities in Berlin think of the Ruhr as within their jurisdiction and Ruhr development as within their competence. As to jurisdiction, they are correct, but the governments could and should remove it. As to competence, the Ruhr is still staggering along at 40 percent of capacity. Enough opportunity has been given to the present men

on the spot to revive the Ruhr, and they must now step down. Development of the Ruhr is the condition precedent of success for any continental scheme of reconstruction in response to the Marshall initiative. What is the good of modernizing European industries if the coal is lacking to sustain them?"

**I**N a previous editorial, the Post said in part: "Coal is the king of recovery. And the Ruhr is the heart of the coal problem. If a plan could be suggested for putting the Ruhr on its economic feet again, the first step on the way to real recovery in Europe would have been taken. All the western countries now have to draw on American coal, and this dependence entails one of the greatest dollar drains on their supply of dollars... Such a plan should go hand in hand with an agreement on the principles of economic integration in Europe."

Columnist **Barnet Nover** wrote:

"Just as the essential corollary to the Truman Doctrine is the Marshall Plan, so the indispensable supplement to the Marshall Plan is the proposal for the immediate expansion of the Ruhr's coal production...

"It is essential, first of all, that something be done right away to take care of Europe's immediate and pressing needs. Among the greatest and most urgent of these is coal. If France had all the coal needed by her factories, her power plants, her railroads, her homes, she would be much further along the road to recovery than she is. The same is true of Great Britain, of Italy, of The Netherlands and other countries.

"In 1946 the United States shipped around 18 million tons of coal to Europe. Our coal exports this year may reach the incredible total of 36 million tons as against prewar exports of only a million tons a year. American coal has been in-

dispensable to many a European nation. But, at around \$22 a ton, the cost to the purchasers has been tremendous. For Europe as a whole it has meant a vast drain on wholly inadequate dollar balances. For this and other reasons, the rehabilitation of Europe's coal production and the restoration, is one of the first essentials of European recovery."

After discussing the importance of Secretary of State Marshall's recent Harvard University speech, Columnist **Walter Lippman** said: "The needs of Europe are urgent. Nevertheless, now that we have made the right start, we shall do well to make haste slowly, to let seeds planted in the speech germinate and bear their fruits in Europe. For we can help effectively only as fast in Europe as a whole, or in any part of it, for example the Ruhr, as the nations most concerned are able and willing to act together."

**S**OME comment has emphasized the need for speed in devising a program to rebuild Europe's lagging economy. The *New York Times* Foreign Affairs Writer Anne McCormick said: "Europe is sick of conferences that get lost in technicalities and procedures and seem to meet only to postpone decisions. There is no time for delay in starting the work of reconstruction, and everybody in Europe knows it."

A Times editorial, after noting the "gratifying change in the whole political and moral climate of at least western Europe"—evident from early reaction to the Marshall Plan—said:

"...The second (result) is the complete shift in all discussions from the political to the economic field, in which talk of territorial barbers and borders, reparations, destruction of industry and deportation of people, which still dominated Potsdam, has been subordinated to talk of reconstruction and production, irrespective of territorial or ideological frontiers, as the only road to the survival of all."



## Germany Votes

alition would have a clear majority in Hesse and come close to it in Lower Saxony.

In Catholic North Rhine-Westphalia the CDU, like the SPD in Lower Saxony, has a plurality without a clear majority. In a Landtag of 216 members the Christian Democrats have 92 seats and their Free Democratic associates an even dozen. On the other side of the fence are the SPD with 64 and the Communists with 28, the latter's strongest representation in any Landtag in the western zones. With 104 members being classed as "anti-Marxist" and 92 as "Marxist," the balance of power in the Duesseldorf parliament lies with the newly-organized Zentrumspartei. Unlike its namesake of Weimar and Imperial days, the new Center party disassociates itself from formal religious ties and supports a quasi-socialist policy.

**A**S in North Rhine-Westphalia, the balance of power in Wuertemberg-Baden, most southerly of this group of four states, lies with a centrist group, though here it is the Democrats who occupy this strategic parliamentary position. Unlike their counterparts in several of the other Laender—notably in Hesse and in the British Zone as a whole—the Democratic Peoples' party in Wuertemberg-Baden has taken a "middle-of-the-road" stand, joining the CDU to vote down any leftist economic measures but joining equally with the left against the CDU on most other questions, notably on the matter of state versus church schools. In a Landtag of just 100 members, the CDU holds 39 and the two leftist parties 42 (32 SPD and 10 Communists), so the 19 DVP members are nearly always in a position to call the turn on most controversial issues. It is no accident that the only Minister-President of the western zones who is not a member of one of the major parties is the Wuertemberg-Baden DVP leader, Dr. Reinhold Maier.

In the three far northern Laender (Bremen, Hamburg, and Schleswig-Holstein), the political composition of the legislature has been complicated

by the introduction of a strong measure of plurality voting into the proportional systems used elsewhere. In the various elections to choose representative bodies in these states the Social-Democrats polled 48.4 percent in Bremen and Wesermuende-Bremerhaven, 43.1 percent in Hamburg, and 44.4 percent in Schleswig-Holstein. Due to the favoring of the plurality party by the special systems of voting adopted, however, the SPD now holds 65 of the 100 seats in the provisional Bremen Landtag, 83 of 110 in the Hamburg municipal assembly, and 43 of 70 in the Schleswig-Holstein Landtag. Under these conditions, the SPD, over-represented in each instance, has no challenge to its control of the government.

Opposition in the northern states is largely CDU in Schleswig-Holstein (with a Schleswig autonomous movement having some support in the northern Kreise bordering on Denmark), and CDU-Democratic in Bremen and Hamburg. In these last two areas the Democrats have an especially good chance to develop, since the Catholic population is small and the interest of both cities are industrial and commercial in nature. While the KPD has little strength in Schleswig-Holstein, it is somewhat stronger in Bremen and Hamburg, due to this same industrial-commercial character, though it is not yet as strong in either city as it was in the years immediately preceding Hitler's seizure of power.

**T**HOUGH the electoral contest in the Soviet Zone states was superficially much the same as in the western zones, the liquidation of the SPD in the five Laender of that zone, the restriction of political activity to but three authorized parties (SED, CDU, and LDP) and certain minor "democratic anti-fascist organizations" of farmers, women, young people, workers, and so forth, and the special position of the SED as a "government party" make comparisons difficult. In all five Soviet Zone Landtage the SED holds approximately one-half of the total seats. With the exception of a few seats won in each of the assemblies by the Peasants' Mutual Aid group, the remainder are divided between the CDU and the LDP, the

latter having the margin in Thuringia and in Sachsen-Anhalt, the former in Brandenburg and in Mecklenburg-Vorpommern. In Saxony itself the two "opposition" parties are virtually equal, the CDU having 28 members, the Liberal-Democrats 30.

**T**HOUGH in the pre-Hitler period there were wide variations in political sentiment in the areas now included within the Soviet Zone, these do not appear today. "Red" industrial cities of Saxony, triumphantly socialist long before the first World War and farming communities of Mecklenburg with centuries old neo-feudal political leanings, both turned in about the same SED margins of victory. In some instances, the industrial cities actually showed less enthusiasm than the farmer for the new Socialist Unity party. With the elimination of the SPD in the Soviet Zone and given the role of the SED as "government party", normal political analyses become very difficult in terms of the social, economic, and religious interests which normally motivate political action in a democratic society. All that can actually be set down as the end result of the Landtag voting in the Soviet Zone 20 October is that the SED has a majority, or very close to it, in each of the five Landtage and that opposition, such as it is, cannot be expected to be very effective.

In Berlin itself the situation is quite different. There, efforts to merge the SPD with the KPD were frustrated by an overwhelming vote of the SPD membership and the party continues to enjoy a separate existence. In the municipal elections held last fall the Social-Democrats not only came out the leading party, but their 48.7 percent of the total vote won them very nearly an over-all majority in the city council. Among all 17 German states the SPD vote was highest in the city of Berlin. Equally high, on a relative basis, was the SED vote of 19.8 percent. In the western zones the best the Communists could do was 14 percent in North Rhine-Westphalia, largely as a result of votes cast in the Ruhr district. Even so, the SED vote fell far below the 45 to 50 percent polled in the Soviet Zone.





## Economic Council Criticized

**C**OMMENTS pro and con on the Bizonal Economic Council have received considerable space in the German press. In one of the three critical comments recently appearing in Soviet-licensed papers, the **Berliner Zeitung** expressed suspicion that a government and parliament has been set up in Frankfurt for part of Germany, despite claims to the contrary.

"This real character of the Economic Council was underscored when representatives of the occupation forces spoke of the great 'historical' importance in the establishment of this Council," observed the Soviet-licensed paper, stating that the dangers this Council creates are real because "There are powerful interests which want such a development."

The paper cited Walter Lippman, whom it characterized as the "best-known propagandist of American monopoly capital," as stating that the US wants to further in Europe the political decentralization of Germany without compromise and to join the three western zones into a federalist state if necessary. The paper further contended that the aims of such a western German state were well described in the speech of Minister-President Stock of Hesse who said that the solution of the German question is closely connected with the Marshal plan. The **Berliner Zeitung** observed that though one must welcome aid in principle, if the Marshal plan means the dismemberment of Germany it must be rejected.

In a stronger criticism, the **Taegliche Rundschau** said that the fact that the Council meets in Frankfurt is symbolic because this city is the "center of capitalist Germany."

"Behind this Economic Council," advised the paper, "forces of German and foreign capital are at work who want to make western Germany . . . a kind of ward of the big international trusts and monopoly capital."

Noting that one stressed the unity of Germany at the opening of the Council, the paper said this is rather suspicious because the characteristic picture of this council is support of the dismemberment of Germany.

**T**AEGLICHE Rundschau claimed that reactionary circles in the Council want to get the Ruhr area under the control of "the foreign masters behind them" and want to nip in the bud socialization of the Ruhr and land reform in the British Zone. Because one cannot realize this aim on an all-German scale one has given up the east zone, contended the paper, and German reactionaries have sacrificed German unity for their business interests.

"The Economic Council is a product of the splitting policy and is neither a contribution to the establishment of a German peace economy nor a contribution to the revival of European economy," concluded the paper.

**Neues Deutschland**, Socialist Unity Party organ, found the first session "very unsatisfactory," declaring one misses a "certain aim" in the Economic Council. The SED paper claimed that the only committee members who showed up on time were the Communists. It said much time will have to be spent on administrative questions before tackling practical work.

In its article on the Bizonal Economic Council, the US licensed **Tagesspiegel** pointed out that the next month will prove whether the fine words spoken at the first session will be carried out in practice.

"It seems to us a good sign," noted the paper, "that in their opening speeches all members left open all factors, both positive and negative ones. Thus there is hope that the western German economic parliament will be able to circumvent the great

danger . . . that it might become a discussion group instead of achieving concrete work . . ."

**A**S another possible danger, the paper said there is a tendency to bureaucratize the already unwieldy economic organs.

Continuing, the paper said that the establishment of the Economic Council is a step on the way towards setting up a federal republic.

"That's why one must prevent all attempts to centralize the body, attempts which are closely connected with bureaucratic concentration," warned the paper. "It will be up to the Frankfurt representatives whether the Bavarian farmer and the Westphalia worker will not get the feeling they are governed from Frankfurt. Centralism is bad not only when it comes from Berlin, but also if it comes from other places.

"Central direction of economy is undoubtedly necessary, but centralism in principle is not."

## Winter Aided Shipping

The freezing of the Rhine during February and March afforded inland water transport the opportunity of carrying out urgently needed repairs on its tug fleet. When navigation was again restored, the Bizonal Fleet was in an excellent position to make full use of its available equipment.

## Plant Reports Checked

A study is being made by MG officials of the accuracy of reports submitted by manufacturing plants to higher level German agencies. One reason is to check whether inventory, production, and similar reports are being understated so that excess over the amount reported can be channeled to worker distribution and compensation trading.



## Decartelizing IG Farben

ben employee policy was extremely shrewd. There were great advantages associated with a Farben job. A man lived in a better house, was better paid, had many social welfare benefits, and always was respected in the community. He was very definitely in the good graces of the government. Most of these men look back on the heyday of the Farben empire as a golden age. Many of them would probably do anything they could, in a quiet, safe way, to help Farben recover its former glory.

Probably very few of these dedicated workers realized the fabulous evil which IG Farbenindustrie fathered.

ONE of our Congressional reports on the Farben hearings says: "IG Farben, nominally a private business enterprise, has been . . . , in fact, a colossal empire serving the German State as one of the principal industrial cores around which successive German drives for world conquest have been organized."

The report goes on to state unequivocally that "overwhelming proof" shows that Farben officials had full prior knowledge of Germany's plans for world conquest, and "knew and approved of each of the Nazis' aggressive acts, in advance."

Between 1933 and 1943 Farben devoted its enormous resources to research designed to produce ersatz war materials to replace Germany's deficiencies—to compensate for a lack of bauxite, for example, the raw material necessary in the manufacture of aluminium, IG concentrated on the development of magnesium. To make Germany independent of rubber imports, IG experts developed the buna process for the manufacture of synthetic rubber. In this connection Farben skillfully played on the greed of an American firm with which it had cartel agreements, to keep US companies from experimenting in the ersatz rubber field. According to data presented to the Truman, Bone, and Kilgore committees, by the Department of Justice, synthetic rubber even in the United States was to come under

Farben's "sphere of influence" under the so-called Jasco cartel agreements.

STANDARD Oil was the firm through which Farben worked in this instance, and IG did a neat job of wool-pulling. Everybody in the rubber field knew of Farben's success with buna, and every American tire company wanted the formula. Standard Oil was eager to have a monopoly in the production of this synthetic when Farben finally released the American rights to the process. So Standard fully accomplished IG's purpose of dissuading American rubber companies from undertaking independent research. This was done by Standard's falsely creating the impression that it had already received buna process from Farben and was trying to work out a scheme for licensing the process to American rubber companies. This excuse worked nicely for a while but by 1939 the rubber companies got tired of being put off, and began to clamor for the process. An official of Standard met IG representatives in Basle in October, 1939, and stated that he had to be provided with an excuse for not getting the formula released. IG obligingly cabled Standard Oil to the effect that the authorities would not permit the information to be given American firms.

IG used its cartel agreements with American firms to obtain for Germany certain invaluable processes. Among these was the process for producing tetraethyl lead, which is essential for the manufacture of aviation gasoline and which was obtained for the Nazis by IG Farben. In this connection an IG official said:

WITHOUT lead-tetraethyl the present method of warfare would be unthinkable. The fact that since the beginning of the war we could produce lead-tetraethyl is entirely due to the circumstances that shortly before, the Americans had presented us with the production plans complete with experimental knowledge; thus the difficult work of development (one need only recall the poisonous property of lead-tetraethyl which caused so many deaths in the United States of America) was spared us, since we could take up the manufacture of this product together with the experience

that the Americans had gathered over long years."

The German Government was dissatisfied with progress made in production and development of poison gases until IG took over in 1938, and eventually achieved 95 percent of the country's poison gas production. An IG Farben official at Wuppertal-Elberfeld developed a gas so deadly that it could penetrate any gas mask in existence. Experiments were carried out first on monkeys, then on human beings. Luckless concentration camp inmates were the guinea pigs for this experimentation. Dr. Fritz ter Meer, one of the outstanding IG scientists, stated that this was very practical actually—the concentration camp inmates would have been killed anyway, and the lives of countless Aryan workers were saved thereby, since they didn't have to be used. Later the gases were used to exterminate whole groups in camps such as Auschwitz.

Farben executives were fully aware of the part they were playing—even boasted of it; Dr. von Schnitzler, member of IG's managing board said in an address of welcome to the Spanish Ambassador in 1943:

"But only during the war could German chemistry prove itself worthy of the task. It is not exaggeration to say that without the services of German chemistry performed under the Four-Year Plan the prosecution of modern war would have been unthinkable."

FARBEN was of invaluable aid to the Third Reich in yet another way—the company's world wide list of plants and industrial contacts furnished the basis for an elaborate spy network. IG's NW 7 office in Berlin which was formed originally as IG's liaison office with the various governmental agencies in Berlin was transformed by Dr. Max Ilgner into the economic intelligence arm of the Wehrmacht. From 1937 on this office concentrated on preparing surveys of factories in foreign countries. These surveys were used by the Luftwaffe in selecting bombing targets.

Farben amassed great profit by arming the Wehrmacht for war. As the Nazi territorial expansion progressed through the stages of political



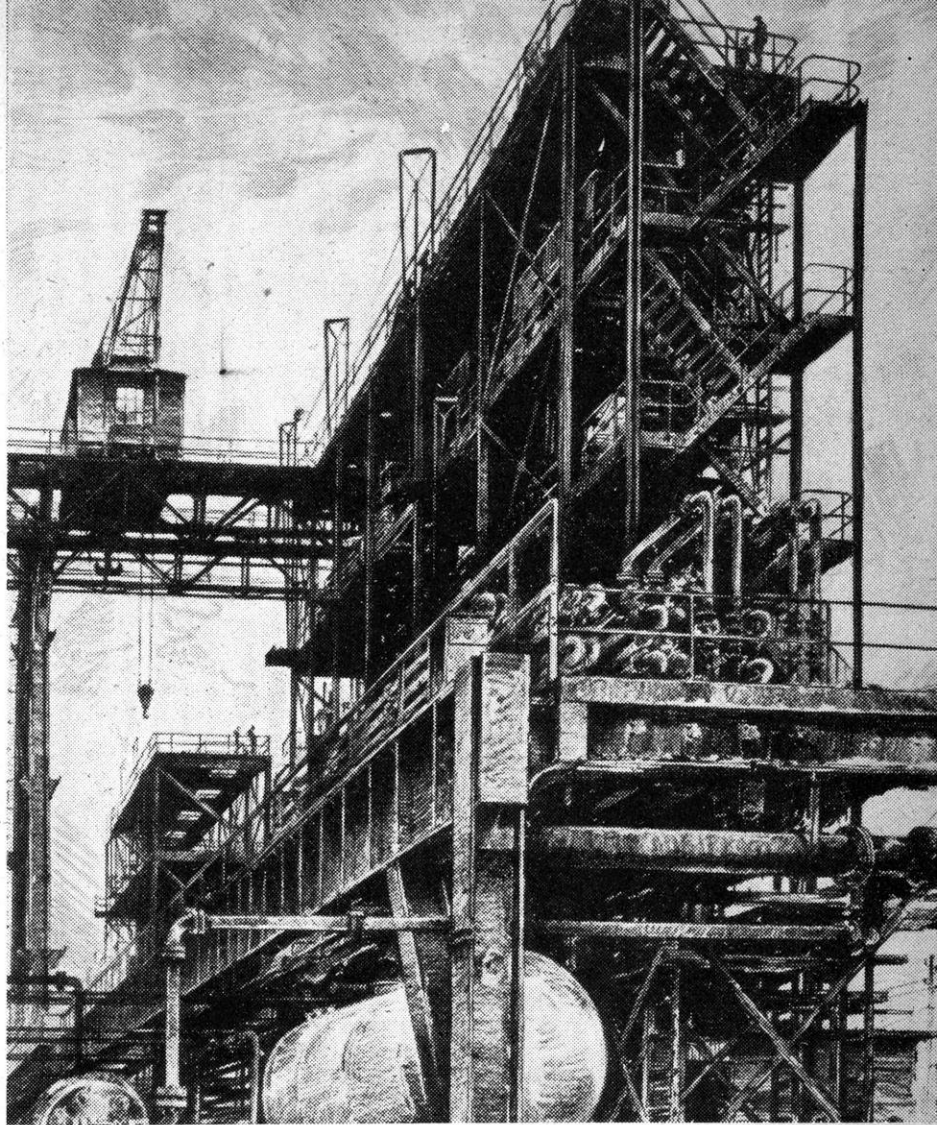
and then physical force, IG as the co-aggressor reaped the fruits of conquest. Despite the monopolistic position it already held, IG proceeded to annex an industrial empire such as the world had never seen before. Farben played an outstanding part in exploiting conquered countries for the Nazi war machine. In France, Norway, Austria, Czechoslovakia, Poland, Belgium, IG acquired plants, properties, and intangible assets which it had coveted for years.

Now that Farben's dream of a "Neuordnung", in which it would rule supreme over a world-wide chemical empire has been given a staggering set-back, the Allied Control Authority has the job of making sure that Farben can't be revitalized as a strong and dangerous chain of affiliated units. The problem of the US Control Office is a delicate and difficult one involving diplomacy, detective work, and a keen financial insight.

At present every cartel has been terminated, interlocking directorates have been banned, centralized sales, purchases, and management eliminated.

**T**HERE never was a Farben stockholder's list: the IG capital structure as of 1945 consisted of 3,928,838 shares of common stock with a par value of RM 1,360,000,000 and 40,000 shares of preferred stock at a par value of RM 40,000,000. The common stock were bearer shares. (In accordance with German custom bearer stock was deposited in banks, the banks collected the dividends, and voted the stock by proxy). At the last meeting of the stockholders in 1943 only 10 percent of the stock was voted by shareholders who were present, 90 percent by banks. Of the 40,000 preferred shares outstanding, 38,000 shares were registered in the stock register of IG under the name of Amoniakwerk Merseburg, a subsidiary wholly owned by IG. The remaining 2,000 shares in bearer form, were in the possession of the Deutsche Laenderbank, the Farben home bank.

As a result of such a financial set-up great obscurity could cloak the responsibility for the policies of any corporation.



(Photo from DEUTSCHER VERLAG)

*Buna factory in Schkopau, branch of IG Farben. The unusual building still is in existence today. It was constructed without walls, doors, or windows.*

In the establishment of the independent units, each such unit will have a corporate entity of its own, and where practicable, will be organized as a joint company, with all the stock being registered stock. At an appropriate time this stock will be placed in the hands of new owners. No announcement has yet been made as to the disposition of this stock or how, in fact, it will be offered to its ultimate owners. Nevertheless, one definite objective will be accomplished: the ownership of these enterprises will be separate and distinct from the ties of the former IG Farben-industrie AG. Interlocking directorship and interlocking ownership will

be precluded. Centralized control by the equivalent of the former IG Farben organization will be impossible; centralized selling and buying agencies will be prohibited. Each such enterprise must and will engage in free competition and free enterprise.

To accomplish all this, control must be established and maintained. This control can be kept up without great difficulty during the period of occupation. When the occupation is over, there will be another problem — whether or not an evil concentration of power such as was IG Farben or its equivalent will ever be permitted to be reestablished in Germany.



## Mil. Gov. Regulations

OMGs in the US Zone is through the Chief of Staff, OMGUS. This does not, however, preclude the use of technical channels for information, advice, and review of field operations by divisions/offices (see MGR's 1-600 and 1-601).

**E**FFECTIVE 1 January 1947, the jurisdiction and responsibility of US Military Government was extended to the whole of Land Bremen as defined in MGR 1-430.4 and it is now defined for such purposes as an integral part of the US Zone (MGR 1-107.c). By MG Proclamation No. 3 (MGR 23-303), 21 January 1947, Land Bremen assumed equal status with the other Laender in the US Zone as previously constituted by MG Proclamation No. 2 (MGR 23-301). Pending adoption of a constitution, the existing German government of Stadt Bremen is recognized in MG Proclamation No. 3 as the provisional government for Land Bremen, and enjoys representation in the Laenderrat, in the bizonal Economic Council and all other bizonal agencies (MGR 1-510.3). British Military Government, however, retains jurisdiction over that part of the former Bremen Enclave which was not included in Land Bremen; however, US Forces continue to be responsible for the area security of the entire Bremen Enclave. Upon the promulgation of MG Proclamation No. 3 all existing British MG enactments were repealed thereby and US Military Government legislation made effective; however, rights and liabilities, including criminal offenses, which had previously accrued therein under British MG legislation were continued in force and effect.

MG Liaison and Security Offices are established and maintained in each Stadtkreis of the US Zone and in each Landkreis containing no Stadtkreis. Functions of a Liaison and Security Office are: to help insure that Germans, UN nationals, US personnel, and others comply with MG laws, quadripartite agreements, and US occupation policy; to observe, assist,

and advise (but not to direct) German governmental agencies in the administration and enforcement of German laws (see MGR 5-433.3).

**T**HE function of MG administrative units in each Land is to provide the administrative support for its Liaison and Security Offices and to relieve the detachments of all administrative burdens.

The geographical components of the four Laender comprising the US Zone are set forth in detail in MG Proclamations No. 2 (MGR 23-301) and No. 3 (MGR 23-303).

OMG Bavaria has responsibility for MG in Land Bavaria, constituted now as it was in 1933, less the Rhenish Palatinate (Regierungsbezirk Pfalz) and the Kreis Lindau.

OMG Hesse has responsibility for MG in former Land Hessen east of the Rhine, in the former Prussian Provinces of Kurhessen and Nassau, and a small tip of territory between the town of Witzenhausen and Allendorf. (See MGR 1-430.2).

OMG Wuerttemberg-Baden has responsibility for MG in the Stadt and Landkreis Stuttgart. (See MGR 1-430.3).

OMG Bremen has responsibility for Military Government in Stadt Bremen, Landgebiet Bremen and Stadtkreis Bremerhaven (Bremerhaven and former Stadtkreis Wesermuende).

OMG Berlin Sector has responsibility for MG in districts of Berlin: Kreuzberg, Neukoelln, Schoeneberg, Steglitz, Tempelhof, Zehlendorf. (See MGR 1-416.1 for special case of Berlin Sector.)

Part 4, Section D, covers "Military Districts and Military Posts" and "Functions of Post Commanders Relating to Military Government." The first installment of this series detailing the provisions of Part 4 erroneously named it as Part 5, Section C. (See MGR 1-470, 1-470.1, 1-471 and 1-471.1.)

The fourth and final installment in next week's issue of the *Weekly Information Bulletin* deals with Part 5, "Relationship of Military Government and German Government."

## Bipartite Committee

A Bipartite Organization Committee has been established to implement and coordinate the Bipartite Organization with existing elements of OMGUS and to comply with the policies of the Military Governor. The members chosen to make up the Committee are: Mr. E. L. MacDonald, Bipartite Control Office; Mr. W. D. Schroder, Control Office; Major Gordon L. C. Scott, Bipartite Secretariat; and Mr. E. C. Wolfperger, Civil Administration Division.

The Committee will report to the Chief of Staff, OMGUS, from time to time on various subjects under survey and study.

## Activity and Interest In Politics Compared

Writing in the US-licensed *Tagespiegel* in Berlin, Karl Germer advised that the masses should not necessarily be politically active, but should be politically interested. Education towards democratic ideals, he said, is not identical with a guidance of the masses toward political activity, for a democratic people does not have to be politically active as a whole.

Real democracy, continued Germer, is achieved by the activity of a certain group of politically active people and of the masses whom these people keep politically interested.

The present trouble with all German parties is that their party political principles have not developed so far that they can meet the political tasks of reality, said Germer. He declared there are two groups among present party leaders: those old party warhorses who stick to ideological traditions and party doctrines, and those who really want to be political active and gain political maturity but are prevented by the oldtimers.

The main important point to watch for in seeking political leaders is that they stick to their political convictions and try to realize them, said Germer.





**PILFERING** — Pilferers who broke into this German freight car pawed hastily through broken-open trunks and boxes to find light, easily transported valuables and cigarettes.

Thieves sometimes hide in box-cars and allow themselves to be sealed in

for the trip, in order to rifle the contents of the car at leisure. Confederates at the other end of the journey help the robber cart away the loot.

Part of the pilfered goods in this car belonged to American dependents who had recently reached the zone.

However, pilferage has decreased recently as a result of determined efforts by the railway security police, and because the longer daylight hours of summer make it more difficult to get away with looting.

(ARMY SIGNAL CORPS Photo)

## Education System to be Revised

**B**ASIC Principles for Democratization of Education in Germany," Directive No. 54, has been approved and signed by the Coordinating Committee. Instructions to implement the directive soon will appear. The 10 principles which will be put into effect are:

1. There should be equal educational opportunity for all.

2. Tuition, textbooks, and other necessary scholastic material should be provided free of charge in all educational institutions fully supported by public funds which cater mainly to pupils of compulsory school age. In addition, maintenance grants should be made to those who need aid. In all other educational institutions including universities, tuition, textbooks, and necessary material should be provided free of charge,

together with maintenance grants for those in need of assistance.

3. Compulsory full-time school attendance should be required for all between the ages of six and at least 15—and thereafter, for those pupils not enrolled in full-time educational institutions, at least part-time compulsory attendance up to the completed age of 18 years.

4. Schools for the compulsory periods should form a comprehensive educational system. The terms "Elementary Education" and "Secondary Education" should mean two consecutive levels of instruction, not two types or qualities of instruction which overlap.

5. All schools should lay emphasis upon education for civic responsibility and a democratic way of life, by means of the content of the curriculum,

textbooks and materials of instruction, and by the organization of the school itself.

6. School curricula should aim to promote understanding of and respect for other nations, and to this end attention should be given to the study of modern language without prejudice to any.

7. Educational and vocational guidance should be provided for all pupils and students.

8. Health supervision and health education should be provided for all pupils and students.

9. All teacher education should take place in a university or in a pedagogical institution of university rank.

10. Full provision should be made for effective participation of the people in the reform and organization, as well as in the administration of the educational system.



# OFFICIAL INSTRUCTIONS

**Personnel and Supply Movement Estimate for July 1947**, AG 370.5 RYT-AGO, Hq EUCOM, 5 June 1947.

**Assignment of Military Posts and Installations for Quartermaster Supply**, AG 609 CGM-AGO, Hq EUCOM, 3 June 1947. Gives key supply points.

**European Command Technical Service Organization**, AG 322 GSP-AGO, Hq EUCOM, 5 June 1947. Hq EUCOM letter, 5 April 1947, is amended to add several changes.

**Enlistments in the Army Security Agency**, AG 342.06 AGP-B, Hq EUCOM, 11 June 1947. Lists qualifications necessary for service in the Army Security Agency.

**Financing and Reporting Costs of Care and Handling Surplus Property**, AG 400.703 GSP-AGO, Hq EUCOM, 13 June 1947. Concerns the preparation of various reports.

**Personnel Survey of the Army**, 31 March 1947, AG 201.3 TIE-AGU, Hq EUCOM, 17 June 1947.

**Application of Forty Hour Week to Indigenous Civilian Personnel**, AG 230 GAP-AGE, Hq EUCOM, 19 June 1947. EUCOM letter, 5 May 1947, paragraphs 1 e (2) and 2, are rescinded and revised paragraphs are substituted.

**Discharge of Displaced Persons from Organized Labor Service Units**, AG 383.7 GSP-AGO, Hq EUCOM, 19 June 1947. Lists several statements under which personnel may be discharged.

**Quotas for Recreation Areas, Garmish and Berchtesgaden**, AG 354.1 SSP-AGO, Hq EUCOM, 20 June 1947.

**Report of European Command Ineffective Personnel, Reports Control Symbol ECGPA-15**, AG 319.2 GPA-AGP-B, Hq EUCOM, 20 June 1947. Rescinds USFET letter 22 August 1946 and quotes new substitution.

**Emergency Return of Allied and Neutral War Department Civilian Employees**, AG 230.53 GPA-AGE, Hq EUCOM, 21 June 1947. Lists agencies who have agreed to receive and relay

messages from families to their kin in the US Zone and installations in unoccupied countries.

Circular No. 47, Hq EUCOM, 23 June 1947, **Unit Publications**. This directive concerns existing War Department and command directives re the operation of unit publications and to establish further policies governing the production of such in the European Command.

**Fiscal Station Code**, AG 130 BFD-AGO, Hq EUCOM, 23 June 1947. Amends USFET letter, 30 December 1946.

**International Road Signs and German Adaptations**, AG 415 PMG-AGO, Hq EUCOM, 23 June 1947. Refers to European Command Safety Poster No. 11 showing the road signs used throughout the US Occupied Zone of Germany.

**Implementation of Control Council Law No. 54, Amendment to Control Council Law No. 27—Tax on Alcohol**, AG 010.6 (FD), OMGUS, 24 June 1947.

**EUCOM-SOP 37, Changes No. 1**, Hq EUCOM, 25 June 1947. Concerns changes in Standing Operating Procedure 37.

**Organization of the Office of the Commander-in-Chief, European Command**, AG 322 GOT-AGO, Hq EUCOM, 25 June 1947.

**Establishment of the Eucom Exchange System**, Circular No. 48, Hq EUCOM, 27 June 1947.

**Visitors to Germany and Austria**, Circular No. 49, Hq EUCOM, 27 June 1947. Paragraphs in Circular 9, Hq EUCOM, 2 April 1947 referring to authorized dependents on personal visits are rescinded. USFET letter, 16 December 1946, same subject is rescinded.

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

**Establishment of Bipartite Organization Committee**, Staff Memorandum No. 32, OMGUS, 27 June 1947. (See separate item.)

**Budget and Fiscal Procedures, Instructions and Information**, AG 110 (CO), OMGUS, 28 June 1947.

## Messages to UN

It is contrary to US Governmental policy for official Governmental offices or agencies to transmit messages from or the views of non-Governmental organizations to the United Nations Organization. Such messages or views should be sent directly from the concerned organizations to the Secretary General of the United Nations.

AR 340—10 prohibits the transmittal of private mail in penalty envelopes for the purpose of avoiding payment of postage. USFET Letter, AG 311.7—AGM—AGO "Unauthorized Use of Army Postal Channels." 13 July 1946, states that "with the resumption of international postal service between Germany and the world on 1 April 1946... there remains no justifiably humanitarian need for unauthorized use of Army postal channels."

All Military Government organizations and personnel should, therefore, decline to accept messages or views of non-Governmental organizations or of private individuals for transmittal through either official channels or the Army postal service.

## Personnel Changes

Col. Milton T. Hankins has been named Chief Chemical Officer, European Command.

Col. George E. Wrockloff, Jr., is announced as Acting Chief of Transportation, European Command, effective 1 July 1947.

Col. Vance W. Batchelor is the new Chief of Military Labor Service, European Command, and Commanding Officer, 9th Labor Supervision Area, effective 15 June 1947.