



LIBRARIES

UNIVERSITY OF WISCONSIN-MADISON

Information bulletin. February 1950

Frankfurt, Germany: Office of the US High Commissioner for Germany Office of Public Affairs, Public Relations Division, APO 757, US Army, February 1950

<https://digital.library.wisc.edu/1711.dl/EVRRELOTKZKYG8W>

As a work of the United States government, this material is in the public domain.

For information on re-use see:

<http://digital.library.wisc.edu/1711.dl/Copyright>

The libraries provide public access to a wide range of material, including online exhibits, digitized collections, archival finding aids, our catalog, online articles, and a growing range of materials in many media.

When possible, we provide rights information in catalog records, finding aids, and other metadata that accompanies collections or items. However, it is always the user's obligation to evaluate copyright and rights issues in light of their own use.

INFORMATION

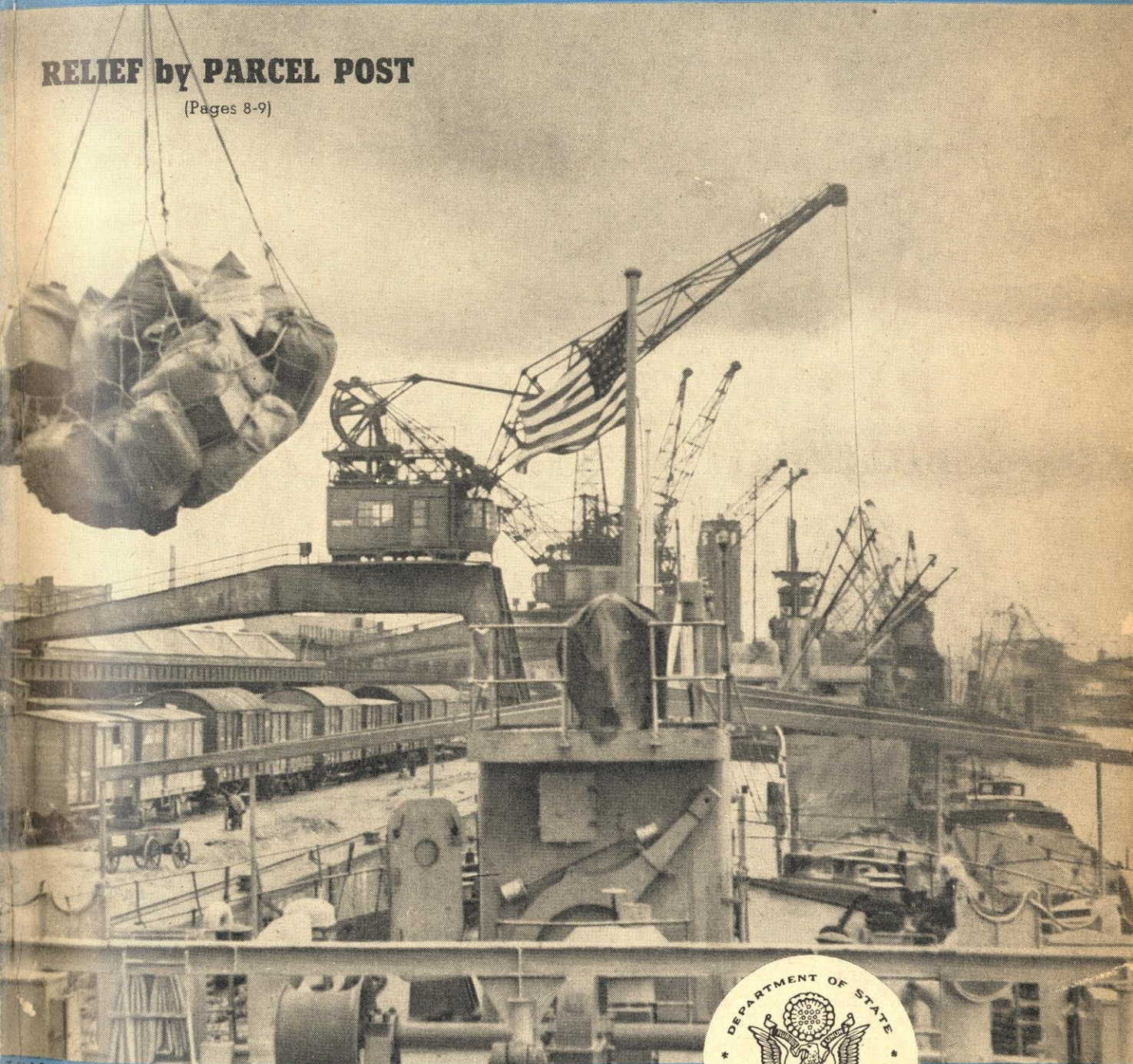
FEB 1950

Bulletin

MONTHLY MAGAZINE OF THE OFFICE OF
US HIGH COMMISSIONER FOR GERMANY

RELIEF by PARCEL POST

(Pages 8-9)



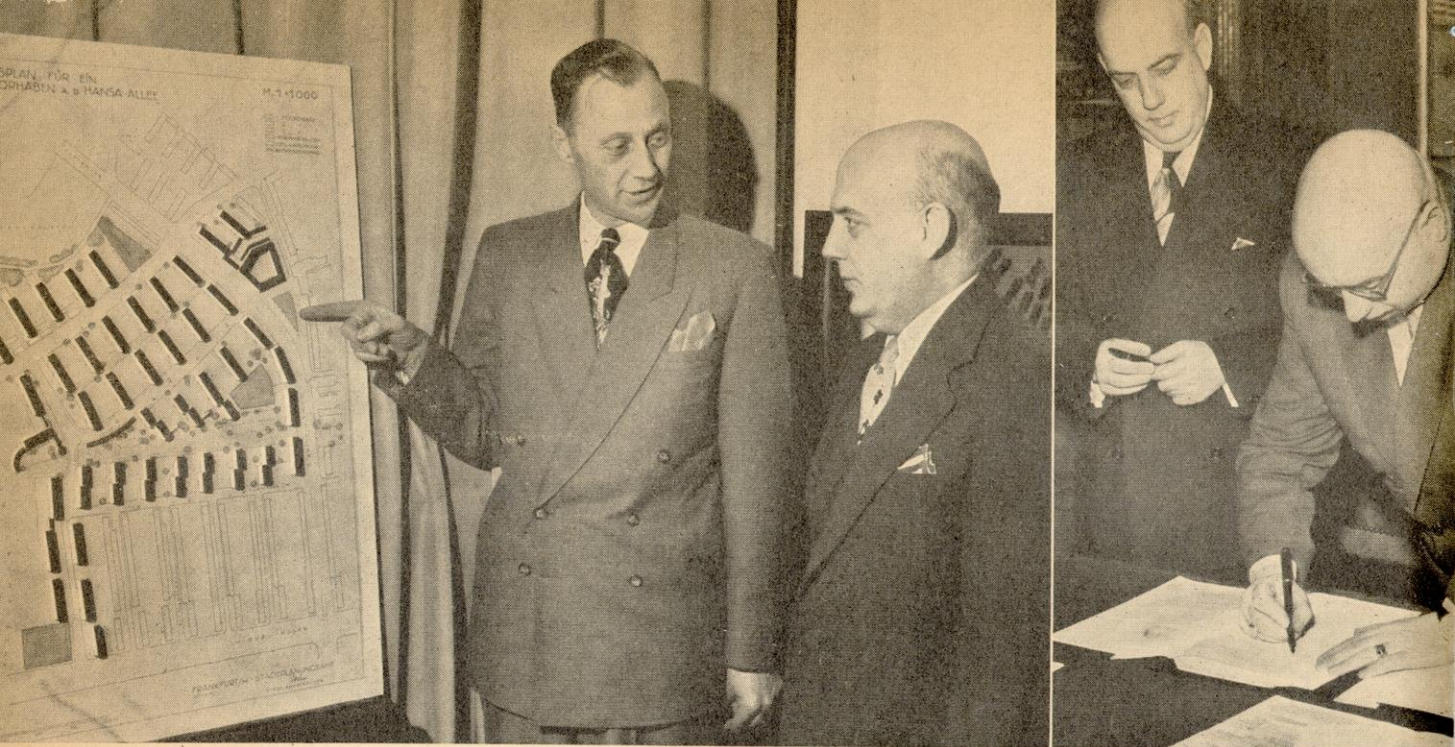
THIS ISSUE:

Progress Report on Germany
Relief by Parcel Post
Good Neighbor Week

DP Resettlement
Mission for 1950
American Affairs Institute



FEBRUARY
1950



Plans for a huge housing project for HICOG employees in Frankfurt are explained by Jack H. Lennon, coordinator, to Glenn G. Wolfe (right), director of the Office of Administration, HICOG. Photo at right shows Frankfurt Mayor Walter Kolb signing agreement Jan. 17 for 30 acres of land for project, as Mr. Wolfe looks on. (Photos by Jacoby, PRD HICOG)

Frankfurt Housing Project

WORK WILL BEGIN shortly on the erection of a modern housing project in Frankfurt, to be financed entirely by Government and Relief in Occupied Areas (GARIOA) counterpart funds, which will provide living quarters for approximately 500 HICOG employees and their families, Glenn G. Wolfe, director of the Office of Administration, announced.

No part of the expense of construction will be charged to occupation costs, according to Jack H. Lennon of the Office of Administration, who is in charge of the project. Mr. Lennon explained that all funds will be provided by GARIOA.

The new settlement will be located west of Hansa Allee and north of HICOG headquarters, and will include about 45 apartment buildings of 12 apartments each, as well as a community center, maintenance shops and playgrounds. The apartments, consisting of two and three bedroom units, will be of the most modern design and will be completely furnished. The first housing units are expected to be finished in about five to six months after the builders begin breaking ground.

Covering more than 30 acres, the land for the housing settlement will be made available by the city of Frankfurt. The housing settlement will be turned over to the city of Frankfurt when it is no longer needed by American personnel. All materials and equipment will be purchased in Germany.

Mr. Lennon estimated that the construction will provide work for between 1,800 and 2,500 skilled and unskilled workers in the Frankfurt area. As HICOG families move into the housing units, the dwellings they now occupy will be returned to the German economy, thus contributing to the alleviation of crowded housing conditions in Frankfurt.

+ END

Information Bulletin

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

Editorial Offices:

Headquarters Building, Room 263-A
Frankfurt, Germany

Editor H. Warner Waid
Editorial Writer Aileen S. Miles
Editorial Writer Beth MacVicar

Reprint of any article, unless specifically noted, is permitted with credit to the Information Bulletin and the author or source cited with the article.

The Information Bulletin is printed in the plant of the Publishing Operations Branch, Information Services Division, Office of Public Affairs, HICOG, located at 39 Schelling Strasse, Munich.

Distribution of the Information Bulletin is handled by the Mail and Message Center, Communications Division, Office of Administration, HICOG, located in Headquarters Building, Room 060, Frankfurt.

COVER PICTURE

RELIEF BY PARCEL POST — American citizens have spent approximately \$325,000,000 in value of content and postage to pack and send packages of food, clothing and other necessary articles of life to relatives and friends in postwar Germany. Typical of this individual assistance is the photograph showing a cargo net filled with gift parcels being unloaded from a ship which had just arrived in Bremen from the United States. A picture story of this voluntary activity is on pages 8 and 9. (Deutsche Post photo)

TABLE OF CONTENTS

February 1950

Our Policy in Germany	2
Military Security Board	3
<i>Article by Maj. Gen. James P. Hodges</i>	
Institute of American Affairs	5
<i>Article by Dr. David L. Hoggan</i>	
Relief by Parcel Post	8
<i>Pictorial Story by Eugene H. Merrill</i>	
Tourist "Dollar Drive"	10
Resettlement of Displaced Persons	11
<i>Article by Charles T. Reyner</i>	
Progress Report on Germany	15
<i>Address by John J. McCloy</i>	
Good Neighbor Week	19
<i>Article by John W. Jergenson</i>	
Small Animal Clinic	20
<i>Pictorial Story</i>	
Mission for 1950	23
<i>Digest of Address by Ralph Nicholson</i>	
Report to the People	25
<i>Review of December Activities</i>	
ECA Agreement	27
<i>Summary of US-German Pact</i>	
US High Commissioner and Staff	28
<i>Official Photograph</i>	
Occupation Vignettes	31
Minor Parties	33
<i>Last of Political Parties Series</i>	
Personnel Notes	36
Industrial Expansion Aided	38
Ruhr Power Reaches Bavaria	39
German Editorials	40
Official Notices	46
<i>Text of ECA Agreement</i> 46	
<i>Communiqués</i>	
<i>Laws and Ordinances</i> 54	

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

Our Policy in Germany

The following is extracted from the radio address by US High Commissioner John J. McCloy in Washington Jan. 23 as the points of chief importance in connection with the German policy of the United States. Full text of the speech begins on page 15.

IT IS OUR GOVERNMENT'S policy to seek a unification of all occupation zones of Germany on a democratic and federal basis, and we shall assist all effort of the Federal Republic of Germany toward that end.

We must continue to be alert and uncompromising on true security issues.

We must continue to insist on the equitable treatment of Hitler's victims and their heirs.

We must help the Germans solve as rapidly as possible the critical social and economic problems of Germany.

We should maintain, as far as lies within our power, a unified policy with respect to Germany among the three occupying powers of the West.

We should bend every effort to encourage Germany to take, if need be, the first step to bring about a true partnership of western Europe and induce the other western European powers to accept this principle for themselves and for Germany.

We should continue to press and encourage the German government and people to adopt liberal, progressive measures throughout Germany, whether or not these measures are within our powers to dictate.

We must encourage and stimulate every effort to give the youth of Germany justified hope in the future. + END

Military Security Board

By MAJ. GEN. JAMES P. HODGES

US Commissioner, Military Security Board

GERMANY HAS BEEN a world leader in the arts, in the sciences, in creative genius, in technical skills. It has been a nation characterized by strong and aggressive nationalism; by fanatical leadership; by mass obedience and consecrated devotion to the *Vaterland*. It has been a nation which produced people like Martin Luther, Goethe, Beethoven and Einstein; and people like Frederick the Great, Bismarck, Kaiser Wilhelm and Hitler. It has been a nation of great potentialities and unbelievable recuperative powers. It has been a nation which, defeated in 1918, stood on the threshold of world dictatorship in 1940.

As we, today, stand in contemplation of the remains of Europe, we realize how important, how vital it is for us, as victors, to use all of our intelligence and common sense, exert all of our influence and do all in our power to guide, direct and assist this country, this large and important slice of Europe, to become eligible for world membership as a power dedicated to world peace and democratic principles.

Such is the task of the High Commission, and in its field such is the task of the Military Security Board. We must see to it that this time she abides by the rules. But the rules must be fair and economically sound; they must be clear and unmistakable — and they must be inflexibly enforced.

THE MILITARY SECURITY Board can find much in history to guide it. The events that took place between 1918 and 1929 are recorded in black and white and in great detail. The mistakes in the rules, the failures on our part to enforce them, the evasions and violations by the Germans — all are written down for us to study and profit by. There was a High Commission in those days — and a Military Security Board (the latter was called the Military Inter-Allied Commission of Control) — but these bodies were not clothed with the necessary authority to command either respect or obedience.

This costly error was not repeated by our governments in the present situation, which is tangible evidence of our determination to profit by the experience of our last occupation. In the months and years to come the board must similarly be on guard against previous errors and be alert to familiar patterns of agreements,

activities or behavior which led to mistakes in policy or decision.

The Military Security Board was born of the London Conference of March 1948, where representatives of the US, British and French Governments agreed that such an agency was needed to insure the maintenance of German disarmament and demilitarization.

CONSIDERING THAT it took five years of war and three years, post war, to accomplish the disarmament, and further, that we are not sure even today that demilitarization is complete, the task of insuring Germany's continued disarmament and demilitarization is not as simple as it sounds.

That part of armament and militarization represented by armed forces was clearly disposed of by the defeat and subsequent dissolution of the German armed forces. But behind the armed forces was an extensive and efficient industry, a national pride and an aggressive spirit. None of these basic fundamentals came into being overnight. Nor can they be disposed of overnight, assuming such to be desirable, which it is not.

But, if security is to be maintained, these elements must be kept within proper limits. Industry must be required to concentrate on peaceful commodities and denied the right to produce armaments in any shape or form. National pride and aggressive spirit must be made the basis for decent industrious citizenship, free from the passion to regiment and dominate other men.

The Military Security Board was constituted to attain these ends. It is organized into three national elements: US, British and French, each element comprising approximately 50 professional and 35 administrative people carefully selected for the job, and organized into four principal groups, a secretariat and three divisions: Scientific Research, Industrial and Military.

THE FIRST TWO of these divisions have aims which, to a great extent, are contradictory to other aims of the occupation, which point toward the economic recovery of Germany and the peaceful exploitation of her resources to achieve higher standards of living. Control exercised by the Scientific Research and Industrial Divisions must, therefore, be exercised with tact, understanding and restraint.



Maj. Gen. James P. Hodges, a digest of whose speech at the recent Resident Officers' conference in Frankfurt appears in these pages. (US Army photo)

Industry should not be unreasonably suppressed nor should it be hamstrung with unnecessary restrictions or harassing requirements.

So much for the general picture of the task of the board. Now for a more detailed description of the work of three divisions. First let us consider the work of the Scientific Research Division.

A HEALTHY INDUSTRY and prosperous economy are impossible without scientific research. Yet it was through the efforts of scientists that poison gases were developed for use in the first World War; that atom bombs and bacteriological agents were developed for use in the last war. It follows that scientific activities which may lead to new weapons must be watched.

Fortunately, there is a considerable time lag between a laboratory discovery and the production of a useful weapon. This fact simplifies surveillance over the scientific field. Fundamental research is the search for truth, and this we have no desire to suppress. We must remember that the same fundamental knowledge responsible for the atom bomb produced the x-ray machine and the radium treatment of cancer; that knowledge gained in the search for means of combating disease laid the foundations for bacteriological warfare. We want new ideas to hatch. And so, within the limits of certain restrictions and under a careful calculated plan of surveillance we want the German scientists to go about their business.

One feature of this carefully calculated plan is the scrutiny of scientific journals. These are published in every civilized country and are circulated throughout the world. Most discoveries of any importance are reported in these journals and by systematically scanning them, trained personnel keep informed of the trends in scientific research, and can anticipate the direction in which a given field of research is heading before any important work has been completed in that field.

Naturally, the Scientific Research Division does not confine itself to the reading of professional literature. It has a small, but highly competent staff of specialists whose broad acquaintanceship among individual scientists and laboratory heads gives them a working knowledge of current trends and accomplishments in the scientific field.

IT IS OUR JOB to see to it that the Germans do not engage in certain prohibited fields of applied research. These include the atomic, poison gas, portions of the bacteriological field and certain aspects of the fuel flow field. But the dividing line between warlike and peaceful research is hard to define—especially in the fields of radio-active energy, chemistry and bacteriology. Hence in these fields we merely require laboratories to report periodically on their activities. Reports are verified, of course, by unannounced inspections. And the penalties for violations are rather severe.

Surveillance over the scientific field is maintained almost entirely by the board itself. This is because of the necessity of utilizing to the best advantage the limited number of highly specialized people available

to us for this work. This method is quite different from the echeloned method of surveillance in the military and industrial fields.

Actually, this system of surveillance over German scientific activities has been in operation for more than two years. It has proven quite satisfactory and has promoted a definite sense of responsibility on the part of the Germans. It is, of course, entirely possible for a laboratory to engage in illegal work. But any research requires some equipment, and records of progress have to be kept.

In western Germany there are more than 1,600 scientific institutes and laboratories of one sort or another, and an estimated 7,000 accredited scientists. Naturally, every researcher cannot be watched, but fortunately the number of laboratories capable of completing an important research project is limited. After all it is rather difficult to make an atom bomb in a cellar.

SURVEILLANCE OVER INDUSTRY presents far greater difficulties than those described in the scientific field. It is true that control of the output of steel, aluminum, ships and so on, is a fairly simple matter. For example, we know how many steel mills exist in Germany and can make a fairly close estimate of how much steel they can produce. A new steel mill cannot be built secretly overnight, nor can an extra shift be put to work without our being the wiser. By the same token, neither can a bomber or a battleship be built without detection.

But control of plant capacity is not so simple, nor is surveillance over the manufacture of products which have commercial as well as military use. Take, for example, the manufacture of industrial explosives. Industrial explosives result from an almost endless number of combinations of chemicals, many of which are used in the legitimate production of plastics and dyestuffs. As a consequence, there are many profitable opportunities for the man who wants to break the law. The number of prohibited or limited products for which there is a ready and profitable market is considerable.

The Industrial Division observes activities in five broad fields: chemicals, electronics, mechanics, metallurgy and shipbuilding, embracing more than 1,000 plants in the three western zones. Naturally, we cannot cover such a large field in great detail. Fortunately, detailed coverage is not essential.

Most German industrialists are reputable and observe the laws laid down for them. Control Council Law No. 43 is well known to the Germans and there have been few violations of its provisions. The new and more comprehensive law which is soon to replace it, will, I am sure, become just as well known.

The federal German government has signified its desire to cooperate with the Military Security Board and can do much from a moral and practical standpoint to insure obedience to security laws and regulations. However, all their cooperation will not eliminate the need for detailed inspections of plants and activities, nor the need for spot-checks to determine the accuracy of reports.

(Continued on page 7)

American Affairs Institute

By **DR. DAVID L. HOGGAN**

*Assistant to the Director
American Institute at Munich University*

AN INSTITUTE for American Affairs — the first school of its kind in Europe to present a comprehensive and well-rounded program on American life extending into all major academic fields — is now in its first session at the University of Munich.

The institute, financed by the Bavarian Government and the Rockefeller Foundation, is the outgrowth of a proposals made more than a year ago by Dr. Henry F. Peters, of Reed College, Oregon, who was invited to come to the University of Munich as professor of American literature. Dr. Peters urged that instead of teaching a single unrelated subject, American literature be taught in conjunction with other courses in order to give European students a well-rounded picture of American life and affairs.

The idea was sympathetically received both by the university and by American education officials in Germany. Although there have been numerous American institutes in Germany and in Europe in the past they have been limited in scope to one or two subjects. The plan for an American institute to be staffed by Americans and offering a complete program of American studies rapidly kindled enthusiasm in United States academic circles.

In less than a year the institute received a grant of 250,000 Deutsche marks (\$59,500) for reconstruction purposes and the guarantee of one fulltime professorship and two assistants from the Bavarian Ministry of Education and a Rockefeller Foundation grant of \$50,000 establishing three academic chairs.

These grants together with the interest manifested by other foundations and the practical support given by American and German authorities gave the green light

to initial preparations. A whirlwind campaign in American universities followed which produced the academic good will and support necessary from the United States.

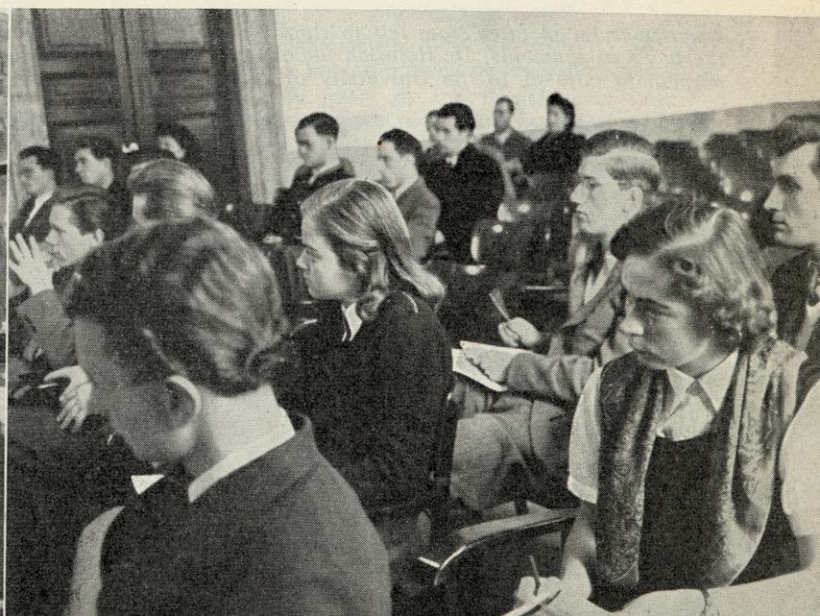
DURING THE BUSY WEEKS prior to the opening of the institute last Nov. 3 more than 60 workmen labored at top speed to rush to completion reconstruction of the bomb-damaged wing of the former House of German Law, which houses the institute. Realizing the need for future expansion particularly in view of a comprehensive American research and reference library, the Bavarian Government also has reserved a three-story tower in the building for the use of the institute.

The present provisional library, which is being built up at the rate of 1,000 volumes monthly, is operated on the open stack principle. It contains all major works in American literature and history accumulated from numerous sources. An additional grant from the Rockefeller Foundation has enabled the institute to make a careful selection of works purchased in the United States. Assistance in collecting books on American subjects has been given by the Materials Exchange Branch of HICOG's Education and Cultural Relations Division while voluntary gifts from private American donors, the Darien, Connecticut Book Aid Plan, and Yale University are swelling the already large number of volumes on hand.

In its current session the institute is offering only six courses in American literature and history, but this program will be extended to include philosophy, political science, economics and sociology in order to achieve the goal of a complete American study program.

Among the outstanding American scholars who are participating in the first few semesters are Howard

Weekly problems of the Institute staff are thrashed out in the Director's Office (l. to r., Dr. H. F. Peters, director, Dr. David L. Hoggan and Dr. Heinrich Stammler, assistants). Students in photo at right take notes on an American history lecture.





Interior view of the America Institute library at Munich University. The Institute's library receives 1,000 books monthly from a variety of sources.

Mumford Jones, professor of literature at Harvard University, Quincy Wright, professor of political science at the University of Chicago, and Merle Curti, professor of history at the University of Wisconsin. It is expected that this high standard for the teaching faculty will be maintained and that in the course of years a succession of leading American educators will make their appearance at Munich to contribute to the program of introducing European students to American life and letters.

METHODS OF INSTRUCTION at the institute combine many modern educational features recently developed in America which represent an entirely new technique in continental teaching practices. This is particularly true of the conference method which permits close cooperation between students and teachers, and of the combined program in the humanities course.

This latter course enables students entering into American studies to form a comprehensive picture of American civilization as a whole before they select areas of concentration. This basic course combines the fields of American history, literature, economics, political science, philosophy and religion.

The combined program is based on the idea that solid links between fields are more than ever necessary in this age of increasing specialization, and that these links can only be provided by bringing the various subjects together in a general comparative treatment. This is known in education as the horizontal approach, and involves a maximum amount of cooperation on the part of any teaching staff. The course is given in the form of

lectures followed by group discussions and informal seminars dominated by student discussions.

All these methods are well known in American institutions — where experience has shown that this close contact between teacher and student is more effective than the more orthodox teaching methods — but they are relatively unknown in Europe.

ALTHOUGH TOTALLY unfamiliar with this method of instruction, German students already have given outstanding evidence of their capacity to adjust to it. One German student became so well adjusted that he turned the tables on his American professors. Asking each instructor singly if the American revolution could have been avoided after the calling of the first Continental Congress, he later confronted the entire humanities staff during the discussion period with the sharply different answers he had received and precipitated a lively discussion among the faculty by presenting their own divergent viewpoints.

Two boards—German and American—direct the affairs of the institute. The American board includes Senator Wayne Morse, Oregon; Dr. Luther Evans, Librarian of Congress; Dr. P. C. W. Dekiewiet, president of Cornell University; Dr. Harold Laswell, Yale Law School; Dr. P. H. Odegard, chairman, political science department, University of California; Dr. Howard Becker, University of Wisconsin, and Dr. Henry Nash Smith, University of Minnesota.

The entire German board has not yet named, but will include Dr. Alois Hundhammer, Minister of Education, Bavaria; Dr. Dieter Sattler, Secretary of State, Bavaria; Professor Walter Gerlach, Rector, University of Munich; and Max Foerster, professor emeritus of English, University of Munich.

Unlike any other institute, the American Affairs Institute at Munich embraces two continents and is aimed at creating a better understanding of America in Europe. A permanent adjunct to the University of Munich, it is hoped that it will become a center of American studies not only for German but for European students.

+ END

America-style: pictures from left to right show an informal student discussion group; students and instructor talking over the day's assignments; Dr. Heinrich Stammier, discussing a seminar report with a group of students. The Institute, a permanent adjunct to the University of Munich, in the Bavarian capital, is the first of its kind in Europe.



Military Security Board

The list of prohibited or limited industries is much too long to detail here.* Briefly, the manufacture of all weapons of war is completely prohibited, as are many items of potential military value, such as fire control equipment, aircraft, armor plate and specialized military signaling equipment. Restrictions are placed on other items of manufacture which, while not of primary military utility, are indispensable alike to modern armament and peaceful industry. A few examples of these are machine tools of certain categories, ball and roller bearings, some chemicals, beryllium, atomic piles, ships and certain types of radio tubes. Steel, of course, is the outstanding example of a restricted industry.

THE WORK OF the Military Division differs radically from that of the other two divisions. Its job is disarmament and demilitarization. Disarmament, as mentioned earlier, has already been accomplished, and where no armament exists, rearmament of any sort can quickly be detected. Whereas the Industrial Division might have considerable difficulty in discovering the addition of one machine in a ball bearing plant, the addition of one man-of-war to the German fleet of fishing and small cargo boats would stand out. True, a few hundred or even a thousand or so rifles may be smuggled in or dug out from under haystacks, but this is a matter for the local police, and not a threat of rearmament. Notwithstanding the simplicity of the task, we must not relax our vigilance to insure that disarmament remains an actuality.

The task of demilitarization includes surveillance over activities far less tangible. Militarism, when bands and parades do not call your attention to it, is hard to detect, yet it may exist none the less. Patriotism is a normal emotion. Self-respect, national pride and aggressiveness are qualities we have no desire to eradicate. Yet somewhere along the line these qualities may be transposed into militarism and aggressive nationalism. Where one leaves off and the other starts is different according to who observes the process.

But regardless of how difficult it may be to recognize the start of these trends, there should be no difficulty in recognizing their blatant extremes. Warlike and inflammatory speeches and demonstrations, parades, strutting of uniformed officials, actual military training—such manifestations are obvious. But when a former German army officer writes a history of the North African campaign he can scarcely be denied some comment on the relative quality of his and the enemy's troops. If he praises his own men, and thus leads his readers to harbor a respect for the German soldier, he can hardly be charged with inciting militarism.

IT IS TO BE expected that there will be criticism of the occupation, complaints about restrictions, demands for rearmament and so on. These cannot be suppressed whether they come from private individuals, or from elected representatives in the *Bundestag* (Federal Assembly). Nevertheless, the Board must take note of them,

* see Information Bulletin, Issue No. 160, May 3, 1949.

for their tenor and frequency indicate trends; and by plotting these trends it should not be difficult to detect a significant resurgence of militarism.

These then are the three fields of activity of the Military Security Board: military, industrial and scientific research. The mission of the Board, in short, is to insure the continued disarmament of Germany.

In order to carry out its mission the Board must, first of all, maintain a critical attitude toward security laws and regulations to see that they are adequate and abreast of the times. The big job, of course, is to see that the laws are obeyed. To this end, supervision will be echeloned. As the first echelon we propose to place a considerable burden of responsibility on the German federal and state governments to see that the laws are obeyed.

The next echelon of supervision is the US state commissioner, who as the agent of the Board in his state, is the principal executive contact with the Germans. Aside from the basic laws and regulations issued by the High Commission, directives and instructions from the Board will be issued to the Germans through the respective state commissioners. It will also be the task of the state commissioners to follow up these directives and instructions with local surveillance and inspection to insure that violations are detected and offenders prosecuted. In this connection it is well to recall our experience after World War I and the importance of prompt and effective action against violators.

The third echelon of supervision is that which is exercised by the unilateral elements of the Board, that is, the US Element over the US Zone, the French Element over the French Zone and the British Element over the British Zone. As a matter of fact, this is not so much another echelon of supervision as it is a reserve of specialized experts available on call from the state commissioners. The supervision exercised unilaterally by the Board members is more to see that procedures and policies are uniform in all the states.

FINALLY, THE TOP echelon of supervision is the Military Security Board itself. This tripartite supervision is exercised in two ways: First, by analyses of statistics and information flowing in from all sources and, secondly, by field inspections. These inspections will be performed by tripartite parties and are apart from those performed by the state commissioner's staff.

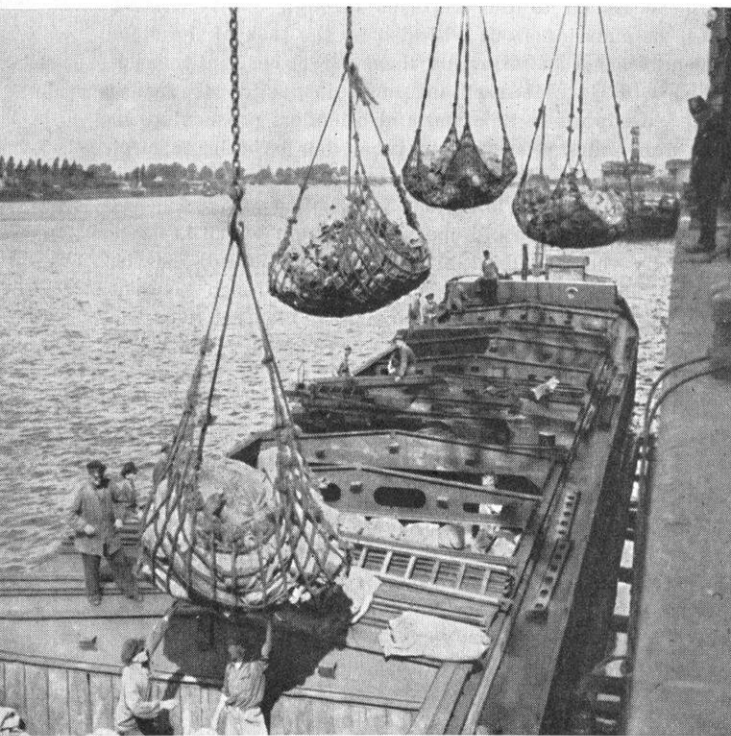
It should be emphasized that the Military Security Board is neither a law enforcing agency nor a prosecuting agency. It merely observes and recommends. Law enforcement is a responsibility of the state commissioners and, as has been pointed out, of the Germans themselves. Agents of the Board may, during the course of an inspection, discover some violation that requires immediate action by one of the law enforcing agencies, and in such case are authorized to call on the local authorities to have the culprit removed to the lockup, his factory closed, and illegal products impounded. Ordinarily it is visualized that the violator will be reported to the state commissioner, who will be responsible for following up the case to see that appropriate punishments are meted out.

† END



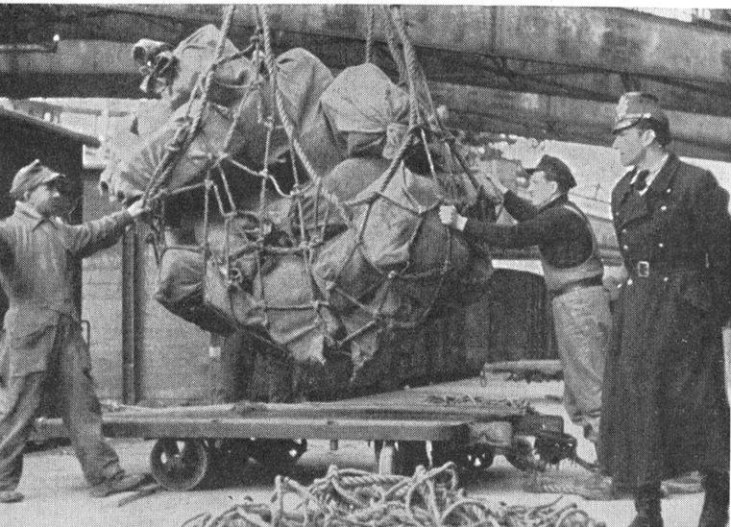
Relief by Parcel Post

Mail bags filled with US gift parcels arrive at Bremen.



Loading on river barges.

Below, moving into railroad cars.



By **EUGENE MERRILL**

*Chief, Communications Branch
Office of Economic Affairs, HICOG*

THE GREATEST VOLUNTARY personal relief activity in the history of the world, from the people of one country to the people of another, is being carried on by the American people to their friends and relatives in Germany by sending gift parcels through postal channels. The extent of this spontaneous relief can be determined only from postal reports.

Since this little publicized postal service was opened in June 1946, Germans have received from the American people more than 39,000,000 gift parcels containing 256,000 tons of food, clothing and similar items for relief of human suffering. The contents of these parcels and their postage represent contributions by the American senders totaling some \$325,000,000.

In spite of the conditions which existed in Germany, the depredations of gift parcels in the German Federal Republic have been extremely low. Less than one package in 10,000 has been pilfered or lost — giving the German Post Office an impressive record.

Through the ECA program, the postage for gift parcels mailed in the United States to the German Federal Republic and the Western Sectors of Berlin has been reduced from 14 to six cents a pound. These parcels now have an average weight of 18 pounds. It is cheaper to mail such a parcel from any place in the United States to Germany than from New York to Miami, Fla.

More than 65 percent of the gift parcels are delivered by the Deutsche Post to addresses in Germany within 30 days after mailing in the United States. Eighty-five percent are delivered within 35 days.

The voluntary sending by individual Americans of these gift parcels is another of their contributions toward the democratization and establishment of a peace-loving Germany.

+ END



Checking addresses, weights.

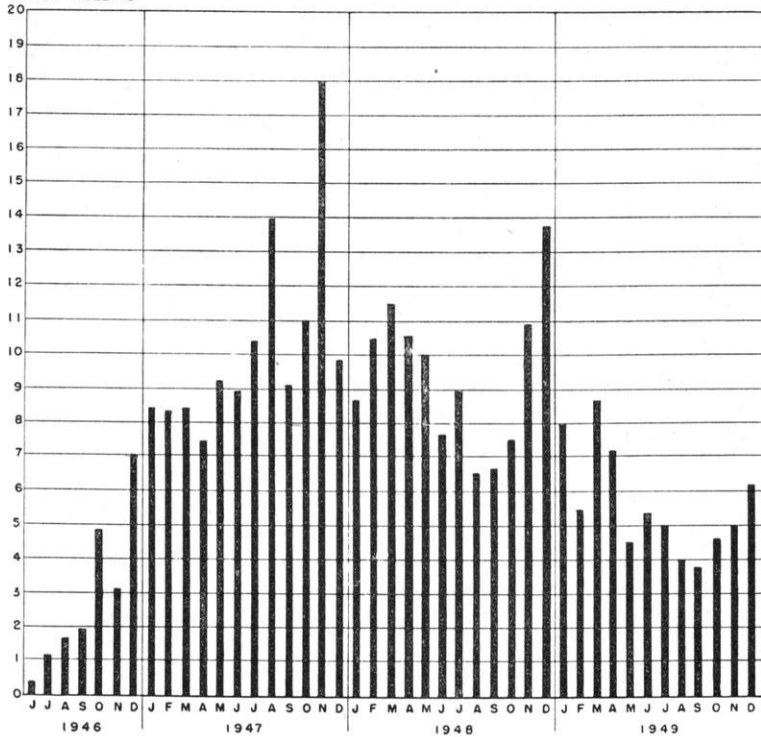


Rewrapping damaged packages.

(All photos furnished by Deutsche Post)

US Gift Relief Parcels to Germany

MILLION DOLLARS



Totals (June 1946—Dec. 1949):

Contributed by American Senders	\$325,000,000
Parcels	39,000,000
Weight of Contents in Lbs.	514,000,000 (257,000 tons)



Signing Post Office receipt.

Parcel from US is delivered.



Tourist "Dollar Drive"

GERMAN TRAVEL agencies are organizing an all-out campaign in 1950 to go after the tourist dollar, as part of western Germany's "dollar drive."

Western Germany is counting on 200,000 American visitors in 1950, who are expected to leave behind an estimated \$60,000,000 in Germany. In 1949, an estimated 150,000 foreign visitors of all nationalities came to western Germany. Of this number, approximately one-third were Americans, but no figures are available on how many were bona fide tourists and how many were businessmen.

Sparking the drive is the German Tourist Board (*Deutsche Zentrale fuer Fremdenverkehr*) which will coordinate all plans to develop international tourism, to encourage private tourist agencies, to work with occupation and federal authorities in eliminating red tape incidental to travel and to promote rebuilding of hotels.

The board also will advise on the division of the recent Economic Cooperation Administration allocation of DM 2,000,000 (\$476,000) in counterpart funds for the reconstruction of tourist hotels in Germany.

The board consists of representatives of the German railroads, travel agencies, hotel and restaurant associations, city administrations, transportation groups, chambers of commerce and postal and telegraph officials.

DURING 1949 the tourist board distributed more than 500,000 pieces of travel literature abroad. This year, provided they get some assistance from the federal government, they will send out more than 800,000 English language travel folders. Individual German tourist agencies will distribute another 800,000 pieces of travel literature.

The *Deutsche Revue*, published by the board, made its appearance in December. The first issue comprises 32 pages. The magazine, printed in four colors on art paper, is one of the best examples of typographic craftsmanship to come out of postwar Germany.

An English language edition will be issued the first week in January. Pending necessary permission for collecting subscriptions in foreign exchange, 10,000 copies of the January issue were to have been carried by the airlines serving Frankfurt to the United States for ultimate free distribution to tourist agencies, airlines and other travel groups.

BREMEN AND BREMERHAVEN served as the port of entry for approximately 7,000 foreign visitors during 1949, a little better than 50 percent of the prewar volume. This year, they are counting on more than doubling the figure, with a considerable number of "in-transit" tourists en route to the Passion Play.

Bremen tourist officials have established a port touring service and have carried out a planned schedule of improvements in their museums, parks, historic buildings and other tourist attractions. The state Senate is seeking means of financing additional hotels to augment

the present total of 62 hotels, pensions and boarding houses—which provide only half the total of 3,450 beds available in 1938.

Hesse's bid for the tourist dollar is mainly in its 129 mineral spas and health resorts. Repair work and remodeling will go on all through 1950, with emphasis on the famous spas.

Wuerttemberg-Baden is counting on Heidelberg to draw some tourists, although US Army headquarters there has most of the large hotels. Despite this, 1949 saw more than 5,000 tourists visit Heidelberg, of whom 42 percent were Americans.

Bavaria, as in past years, is counting on the lion's share of Germany's tourists. Bavaria expects its income from foreign travelers to come very close to its prewar average of \$40,000,000 a year. Bavaria's state government places so much emphasis on tourism that in July 1949 a commissioner for tourist trade was appointed. Bavaria is hoping to attract a good number of the 1950 Holy Year pilgrims also.

THE OBERAMMERGAU PASSION Play will be a sell-out, according to present indications. As of Dec. 31, some 41,000 tickets for the play had been sold.

Western Berlin, practically "off limits" to tourists for four years, has prepared extensive plans to encourage tourism. In late December, the City *Magistrat* for the first time discussed several measures designed to bring in foreign visitors. These include publication of a Berlin "prospectus" in English, French and German, and preparation of travel folders and posters for distribution abroad. Berlin also will have a special exhibit at the Copenhagen tourist show in February.

Another move designed to increase American travel is a two-week vacation trip, offered by 10 transatlantic airlines. The special excursions will be offered until March 15, with passengers leaving Europe on the last excursion flight not later than March 31. The fare will be the regular one-way plus 10 percent. This amounts to a 40 percent reduction on the regular round-trip rate.

Foreign visitors to Germany still require an entry-exit permit, but HICOG travel officials state that visitors may now receive the necessary entry-exit permits within 48 hours. Permits are obtainable from the High Commission Permit Offices, formerly Military Permit Offices, located in Washington, New York and capitals of all major European countries.

Permits are valid for 30 days, but once in Germany, extensions may be granted by the offices of the Combined Travel Board, located in each of the state capitals of the three Western zones and in Berlin.

The American Automobile Association has arranged several tours, employing the United States liner Washington for the voyage to Germany. All of the tours include the main scenic areas of western Germany and Oberammergau.

+ END



Displaced Persons

By **CHARLES T. REYNER**

Chief, Office of Public Information

International Refugee Organization, US Zone Headquarters, Bad Kissingen

THREE MAJOR PROBLEMS confront the International Refugees Organization in the US Zone of Germany as it enters 1950 and the most critical months of its entire period of operation. In less than six months it must close down a care-and-maintenance program that at its peak fed, housed and clothed more than a third of a million displaced persons, and in less than 15 months must assist in the resettlement or repatriation of as many as possible of the displaced persons still remaining in the zone, in IRO camps or living privately on the German economy. Meanwhile, it must continue and strengthen its efforts to obtain the best possible economic, social and political conditions for those who must remain in Germany.

A consolidation program, worked out in cooperation with the Occupation Authorities, is making steady progress in the field of camp closure. The number of residence camps in the zone has been reduced by 80 percent since July 1, 1947, when IRO came into existence, and the number of persons in those camps has been reduced, largely through resettlement and repatriation, to one-third its 1947 size.

While the camp closure program is being worked out fairly smoothly along the lines of the consolidation

program, the greater portion of IRO's efforts, from the world headquarters in Geneva and the zone headquarters in Bad Kissingen, down to the area and sub-area headquarters offices throughout the zone, are directed toward the resettlement program.

The first 30 months of IRO's operation in the zone — from July 1, 1947, to Dec. 31, 1949 — saw the resettlement of approximately 312,000 displaced persons from the zone to new homes in 57 countries, and the repatriation of an additional 21,000 to their prewar home lands. UNRRA had resettled nearly 40,000 persons before it was succeeded by IRO.

WORLD-WIDE OPERATIONS of IRO, extending westward from India to Shanghai, during the same 30 months assisted in the resettlement of more than 675,000 persons from Austria, Germany, Italy and 18 other countries around the world. Approximately two-thirds of these displaced persons came from IRO care and maintenance. Repatriation during this period totaled more than 68,000.

During this period, most of the resettlement was on mass schemes and resulted in the departure of a large proportion of those displaced persons who presented no



Health and education of DP children receive special attention. Displaced persons operate their own schools for their children (left). IRO, in guarding the health of the DPs in its care, stages careful inspections of children (as at right) for tendencies to disease.

special problems in health, age, skills or family composition. They left the zone in an endless procession of IRO trains, often 18,000, 19,000 or 20,000 persons a month. The problems connected with their immigration were routine ones, involving their selection, the location and preparation of their documents, their examination and final presentation to the selection mission representing the country to which they hoped to immigrate, and their mass transportation by rail, air and ships to their new homes.

The emphasis was on semi-skilled and unskilled labor, on healthy young women for domestic service, on single persons, young married couples and on small families. IRO experienced no unusual difficulties in fulfilling these requirements.

OUTSTANDING EXCEPTION to the general practice of selecting comparatively young, able-bodied workers has been that of Israel, where more than 53,000 Jewish displaced persons have gone under the auspices of IRO. That new nation has made no restriction as to age, health, skill or size of family, on the immigration of Jewish persons. If they wished to go to Israel, they were accepted and they awaited their turn on transports arranged by the Jewish Agency for Palestine. Cost of the transportation of those displaced persons who were

eligible under the IRO mandate is reimbursed to the agency by IRO.

Remaining in the camps, however, while the tens of thousands poured out of Germany through the IRO's two principal staging areas—Bremen and near Naples—was a group of persons whose wartime and postwar lot had been as hard as their immigrating fellows, but whose prospects of leaving Germany were limited by one or more factors over which they had no control.

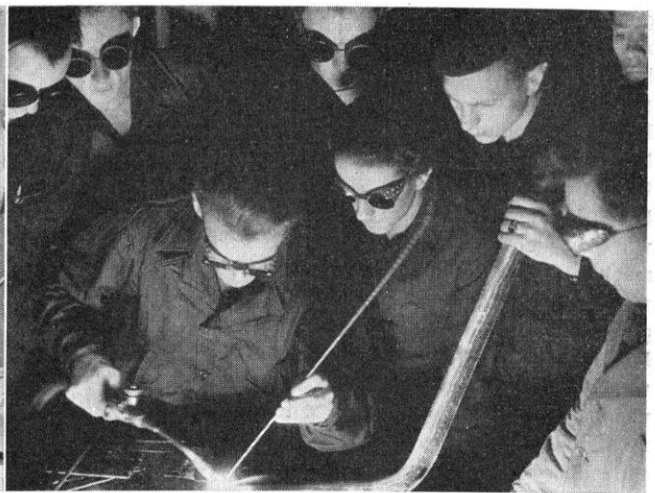
Some came from professional backgrounds and could not qualify for labor schemes. Some were aged. Others were handicapped by illness or loss of sight, hearing or a limb. Most of these persons had one or more dependents who were unwilling to split the family through their own immigration.

Still another group of persons were members of families so large that most selection missions considered them a poor economic risk. A man can earn enough to support only so many dependents, the selectors reasoned, and closed the door of their country to a family which might include a strong, able-bodied worker and his wife, a large number of children, and an aged father and mother.

TO MEET THIS problem head-on, the IRO has launched a two-pronged program; one salient concentrating on developing special immigration opportunities to meet

At left, IRO officials discuss their program's progress. From left to right are J. Donald Kingsley, director general of International Refugee Organization; Mrs. Kingsley; Sir Arthur Rucker, deputy director general of IRO; Philip E. Ryan, chief of operations in the US Zone. Photo at right illustrates typical attendance at IRO vocational training programs—men from all walks of life and age groups.





Language and vocational training are essential in the IRO program as a means of preparing DPs for future emigration and jobs. Special language classes, utilizing phonograph records of foreign speech, are conducted for those desiring to learn. At right, students in an IRO vocational school learn the finer points of welding operations.

the specific condition, capabilities and requirements of a given family or person, and the other to improve the physical condition of those who have been handicapped and to rehabilitate those who have been ill. The first force in this double attack is the resettlement placement program and the second is the rehabilitation program.

Since the beginning of its resettlement program, the IRO had had occasional offers of employment from various countries for specific types of specialized skills and professions. Every effort was made to find a qualified applicant to match these offers, but no special unit was set up in the organization to deal exclusively with this problem, since emphasis in 1947, 1948 and 1949 was upon moving tens and hundreds of thousands of displaced persons rather than individuals.

This year will be the year of the individual. Although mass movements of displaced persons will continue, the world-wide organization and resources of IRO are being turned more and more to the problems of those persons with limited opportunities to resettle.

Field offices of the IRO, in the US Zone and in other areas including the British and French Zones of Germany, and in Austria and Italy, are locating these individuals, cataloging them according to their abilities

and skills, and gathering information as to why they so far have been unable to immigrate.

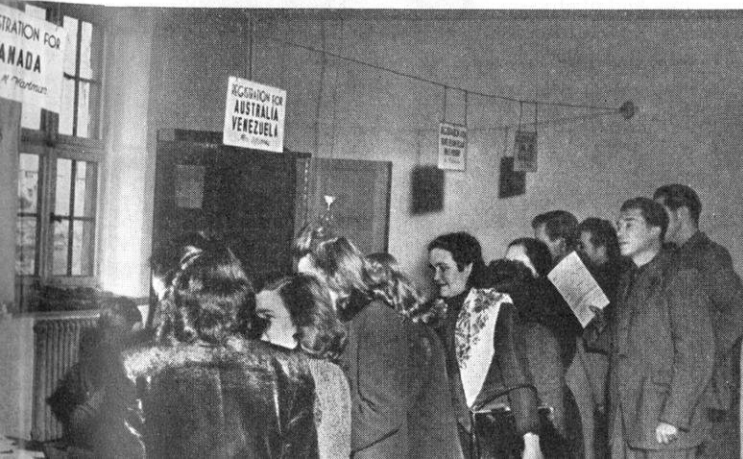
MEANWHILE, SPECIAL representatives of the director general of IRO have been sent throughout the world to discuss with government officials the humanitarian need to resettle more displaced persons, and to stimulate offers of employment or sponsorship for individual persons and families. They carry with them the individual histories and records gathered in Germany, Austria and Italy.

These special representatives—salesmen of humanitarianism—are visiting governments of Canada, the countries of Central and South America, the British West Indies, Australia and New Zealand, Pakistan and Ceylon, the Middle East and North Africa, England, Ireland and Western Europe. Wherever they go, they tell two stories: the need for a more humanitarian approach in the establishment of standards for the selection of displaced persons, and the contributions that thousands of these people might make to any country if given an opportunity.

The program is gathering momentum. Offers of specialized employment, carrying satisfactory salaries and

The beginning — and the happy ending. In photo at left, displaced persons apply for registration to various schemes operative in the US Zone. At right, displaced persons embark on ships chartered by IRO, bound from Bremen to new homes in the United States, Canada and other countries.

(All photos provided by IRO)



guarantees of permanent rights of residence, have been received from such places as Mexico, Ceylon, Ecuador, Ethiopia, Columbia, England and the United States. The offers have been for jewelry workers, chemical and mechanical engineers, waterworks engineers, a glass factory manager, horse breeders, social workers, radio and television technicians and men qualified to assemble and disassemble diesel and gasoline motors. The last request came from Ethiopia, whose government also is considering the possibility of asking for agronomists, soil chemists and highway construction engineers.

Pakistan has come to the DP camps of Germany to recruit doctors and officers for its navy. The Rocky Mountain Wool Growers Association sent its representative to select 187 men to be shepherders in the Far West of the United States. Individuals from the United States have sought and found college professors, musicians, a wooden pattern maker for an iron foundry and a candlemaker.

FROM THE ROLLS of the camps, and from among those displaced persons who have been living outside of camps on the German economy, the IRO can draw to fill almost any request presented. Special efforts are now being made to find placement for experienced merchant marine officers and seamen, pharmacists, geologists, educators, engineers, artists, musicians, doctors, specialists in commerce and banking, and linguists.

Because of the circumstances under which they have lived since being displaced from their homelands — often as long as 10 years ago — some of the displaced persons have been slow in regaining a physical condition which would permit easy resettlement. A few have contracted tuberculosis and others have lost limbs or their eyesight during the war or the years that followed.

A series of rehabilitation centers, operated in the US Zone by the IRO, the Organization for Rehabilitation through Training (ORT) and the American Joint Distribution Committee, has developed programs to help these people return to a condition which will make their resettlement easier.

The rehabilitation centers are divided roughly into two groups — those for former tuberculosis patients, and those for persons who are handicapped by loss of a hand or foot or of eyesight.

30 Months of IRO in US Zone

	July 1, 1947	Jan. 1, 1950
Number of residence camps in zone	354	80
Number of DPs in camps	330,000	120,000*
Number of DPs living privately on German economy	200,000**	70,000*
Total number of DPs in and out of camps	530,000**	190,000*
Resettlement to USA		
US DP Act		96,500
Truman Doctrine		12,000
Resettlement to Australia		43,200
Resettlement to Canada		33,900
Resettlement to United Kingdom		16,400
Total resettlement from US Zone to 57 countries		311,900
Repatriation		20,000
Resettlement by UNRRA (prior to taking over by IRO on July 1, 1947)	39,800	

* December 31, 1949 estimates; private living total is estimate of eligible displaced persons and refugees actively registered with IRO.

** EUCOM data on total non-German residents.

THE IRO OPERATES TB rehabilitation centers, with a total capacity of 450 persons, in Lutensee, Lauf and Wartenberg. Two more centers, with a combined capacity of 150, are operated in Bayrisch-Gmain and Esslingen by the ORT and AJDC.

Centers for non-TB patients are operated at Neuburg by the IRO and at Ashau by the AJDC and ORT. The former has a capacity of 200 and the latter a capacity of 100. The IRO also operates a rehabilitation and training center for the blind at Weyarn.

Establishment at the rehabilitation centers of a specialized extension of the vocational training

program enabled IRO to train more than 12,000 persons in two years. The ORT, which operated a similar program in cooperation with IRO, trained approximately the same number.

Because its reduced schedule of training—300 graduates a month—will provide training for those remaining in the zone who require or desire this service, the IRO is shifting its emphasis, personnel and equipment to the rehabilitation program.

Former TB patients receive training in leather work, radio and television, secretarial work, draftsmanship, repair of small

machines, watchmaking, electrical fitting, machine carpentry, light metal work, tailoring and dressmaking.

Non-TB cases first go through a program of occupational therapy and of physical conditioning, intended to improve both their physical condition and morale. Those who have lost limbs are taught to use artificial



Displaced persons who have been handicapped by serious illness or the loss of limbs are taught a new occupation to enable them to earn a living. These men are learning to be weavers at an IRO rehabilitation center.

(Continued on page 17)

Report on Progress

By **JOHN J. McCLOY**
US High Commissioner for Germany

THE PEOPLE of the United States have a heavy stake in our policy in Germany, where over the past 10 years they have expended an enormous amount of human and material treasure. For that reason it is important that they should be constantly and fully informed of the state of their investment in Germany and of the progress of their policy.

As the United States High Commissioner in Germany I have come home after six months to make a report to the President and to the people. I have also come home to get the feeling of American public opinion. Tonight, in the short time at my disposal, I shall try to give you my best estimate of conditions and trends in a country which is a center point of most of the great world issues today.

In analyzing what is going on in Germany we must remember that current developments are only superficially the result of what has been happening in the last six months. They are the outgrowth of what has and has not been done in Germany since 1945. More important, they result from causes and conditions that are deep-rooted in the German character and in German and European history.

With this in mind consider for a moment what we have undertaken to accomplish since 1945 in Germany. It is not only to undo the 12-year rule of Hitler, a rule which probably represented the most profound indoctrination effort ever inflicted on a country. We have been and we are trying to encourage the Germans to do some things perhaps even more difficult. The removal, for example, of those instincts of the German people and their leaders toward authoritarianism and aggression which mark a much longer period of German history than Hitler's 12 years.

NOW WHAT ARE the good and bad in the German picture — how much progress have we made toward our goal? I shall start with the darker side of the picture:

1. There is nationalism in Germany. There is a nationalist fringe on the extreme right which is more active than it has been. There is a communist fringe that plays the Soviet game and there is the persistent tendency of both these fringes to work together.

2. There are persons in important, though not top, governmental jobs who held similar positions under the Nazi regime. A number of undesirable persons have found their way back into leading positions in the business life of the country. In this connection I do not

This is the full text of the radio address delivered by Mr. McCloy from Washington Jan. 23 over the network of the National Broadcasting Company to the people of the United States. The text of Mr. McCloy's address to the United Council on World Affairs in Boston Jan. 26 will be printed in the next issue of the Information Bulletin.

include thousands of former Nazis who were school teachers, mail carriers, tax officials, etc., under the Weimar Republic who became party members under Hitler and are now back at the old stand. These people have gone through a denazification process — which may well leave much to be desired — and they have been reinstated after paying their penalties or after having been acquitted.

The denazification process predated my assumption of office in Germany

and I do not feel called upon to defend it. But I do feel that our denazification program was by far the most sweeping attempt made in Germany to deal with this difficult problem. I believe the time has come to permit these so-called little Nazis to demonstrate their loyalty to the new Germany and judge them on that basis rather than on their past weaknesses and misdeeds. They can not and should not be excluded forever from normal life in the community. Obviously this does not refer to major Nazi offenders who are still paying and should continue to pay for their unspeakable crimes.

3. Traditionalism still largely influences German thinking. There is a considerable resistance to reform, ranging from passive opposition in some cases to outright obstruction. There is, for example, in many quarters reluctance to adopt civil service reforms and resistance to major school reforms.

4. A majority of Germans are gripped by political and social inertia. Many Germans continue to divorce themselves from the interest and responsibility necessary to the functioning of democratic government. There is an exasperating willingness to leave responsibility and direction to others. German political leaders are prone to take advantage of this apathy.

SUCH ARE THE various nationalist and traditionalist forces and attitudes in Germany. I have deliberately placed the negative forces first in my account. I firmly believe, however, that positive forces are at work which are stronger than the negative. Here are my reasons:

1. In western Germany there is today a free-elected government and parliament. This government is new, it has much to learn—how could it be otherwise after the Hitler years? But, whether its trend is a little left of center or a little right of center, it is headed in a democratic direction.

2. This German parliament is made up in large part of representatives who resisted Hitler, men who were in concentration camps, men associated with the Weimar

Republic which Hitler liquidated, labor representatives and other liberal-minded citizens.

3. In the *Laender*, which correspond roughly to our states, the officials for the most part were originally selected by American Military Government for positions of authority because of their anti-Nazi and pro-democratic records. These leaders have since been confirmed in free elections by the German people.

4. Another cause for considerable satisfaction is the growing vigor of the German press. Though there are weaknesses in it, the press which we helped start after Hitler's collapse has demonstrated an instinct to catch political abuses, to expose them and to help develop public opinion. It has demonstrated a growing sense of public responsibility.

5. The *Laender* parliaments have passed an impressive total of liberal and progressive pieces of legislation that show a strong and voluntary tendency to draw away from Hitlerian concepts. There are other factors. Despite their apathy, the German people prefer representative government as opposed to dictatorship of either the Nazi or Communist type. A vast majority of Germans are deeply opposed to militarism and war. The German people want no more military adventures. Moreover, in economic matters, the Germans indicate that they prefer a liberalized economy over a planned system.

THE GERMANS in general are receptive to plans for consolidating Europe and they are willing to give up elements of real sovereignty to achieve this end. Today the idea of western European consolidation represents to the average German, and particularly to the youth, the best hope for the future.

There are in Germany many individuals and many small groups of people who are working faithfully and intelligently to break authoritarian habits. They include editors and teachers, politicians and trade union leaders, students and youth leaders. They have the idealism and energy, the goal and the hope.

LET ME NOW strike a balance. There are evil and nationalist embers in Germany and embers are always dangerous. They are particularly dangerous when inflammatory material is nearby. Such material exists, if nowhere else, in the vast number of German refugees from the east, in the unemployed, and in the homeless youth. There have been nationalist incidents and there will be new incidents and situations that will be both deplorable and alarming. But no one could contend, as the Socialist Mayor Reuter put it to me the other day in Berlin, that all the evils of Hitler's 12-year rule can be removed in five.

In other words there is danger, but if there were no danger in Germany we would not be there. Germany constitutes a danger within itself and an even more fearful danger if allied with, or subordinated to, the interests of the Soviet Union. And as I have said, the Communist and rightist extremists in Germany seem prepared to get together with the totalitarianism of the Soviet, should a good opportunity present itself.



US High Commissioner John J. McCloy confers informally with dignitaries of Hesse at a reception in his honor given by Dr. James R. Newman, Land Commissioner for Hesse. Pictured left to right are Dr. Newman, Christian Stock, Minister-President of Hesse, the US High Commissioner, and Lt. Gen. John K. Cannon, commanding general of USAFE.
(PRB OLCH photo)

In this connection let me state the following: There has been talk that we have given up power too soon and that we do not have the means to cope with a serious revival of German aggressive attitudes. I understand this apprehension. Naturally, we are not without information about extremist trends. Furthermore, we have ample powers to deal with any dangerous nationalist revival. Our powers are both positive and negative, positive in the specific authority to intervene if a serious threat to our objectives develops, and negative in our right to deny concessions from the existing status if liberal tendencies do not develop. If necessary, I would not hesitate to apply these remedies swiftly and firmly.

But I contend that some of the alarming incidents you may read about are not representative of present German conditions or of German attitudes as a whole. Every day there are many unreported evidences of courage, of determination, of the will to prevail over the past. In them there is great potential for good and I feel that these elements and forces will prevail, if they continue to have our encouragement and support.

IN CONCLUSION here is what I view as the things of chief importance in connection with our German policy:

It is our government's policy to seek a unification of all occupation zones of Germany on a democratic and federal basis, and we shall assist all efforts of the Federal Republic of Germany toward that end. We will, likewise, do everything in our power to prevent a unification of Germany under Soviet or Communist domination.

We must continue to be alert and uncompromising on true security issues.

We must continue to insist on the equitable treatment of Hitler's victims and their heirs.

We must help the Germans solve as rapidly as possible the critical social and economic problems of Germany — serious problems which the rise in production figures tends to conceal. We must encourage the establishment of a free economy. At the same time we must take measures to prohibit Germany from joining any international cartel.

We should maintain, as far as lies within our power, a unified policy with respect to Germany among the three occupying powers of the West — Britain, France and the United States.

We should bend every effort to encourage Germany to take, if need be, the first steps to bring about a true partnership of western Europe and induce the other western European powers to accept this principle for themselves and for Germany. I feel convinced that this concept of western European unity and partnership is the desire and will of the common people of Europe and it should not be denied them.

We should continue to press and encourage the German government and people to adopt liberal, progressive measures throughout Germany, whether or not these measures are within our powers to dictate.

We must encourage and stimulate every effort to give the youth of Germany justified hope in the future. Here I think is our greatest challenge and hope. We Americans are peculiarly fitted to help the Germans toward the goal of democratization. It is my intention and that of my staff in Germany to reinvigorate our whole program in this field. We shall use all our power and resources — and they are large — to help the schools and universities, the trade unions and churches, the press and radio, in other words all those institutions which are the bulwarks of freedom. Here we Americans in Germany are taking, as we should, the lead and in the year it is my hope that we shall make real progress in this.

I KNOW THERE will be setbacks, and you must be prepared for them. But I have tried to give you tonight the reasons why I have hope that the Germany of tomorrow will not be the Germany of yesterday.

We face a hard task in Germany. But if we remain firm and united against any backsliding, if we continue at the same time to encourage the best Germans, we have good reason for hope. Within Germany itself, I firmly believe, there exist spiritual resources from which can emerge a peaceful, democratic state, prepared to take its place as a true member of the western world.

+ END

(Continued from page 14)

Displaced Persons

replacements, and language training is available to all who need or desire it. Artificial limbs are provided by IRO.

AFTER THE PATIENT'S physical condition is improved and his morale lifted, he is transferred to a regular vocational training course, where he is equipped to do the best job possible of providing for himself and his family.

At a small school in the buildings of an 18th century monastery at Weyarn, south of Munich, the IRO maintains a special center for blind or partially blind persons.

There are in the US Zone 59 totally blind persons who have 50 dependents. In addition, the IRO cares for 171 who are partially blind. At Weyarn they are taught to read and write in Braille and learn leather working, weaving and brushmaking.

Because the IRO will close its residence camps on or before the end of June 1950, and will withdraw the last of its personnel and services before April 1, 1951, special attention is being given to the problems of the displaced persons who are unwilling to return to their home lands because of fear of political, racial or religious persecution, and who have had no opportunity to resettle in new countries.

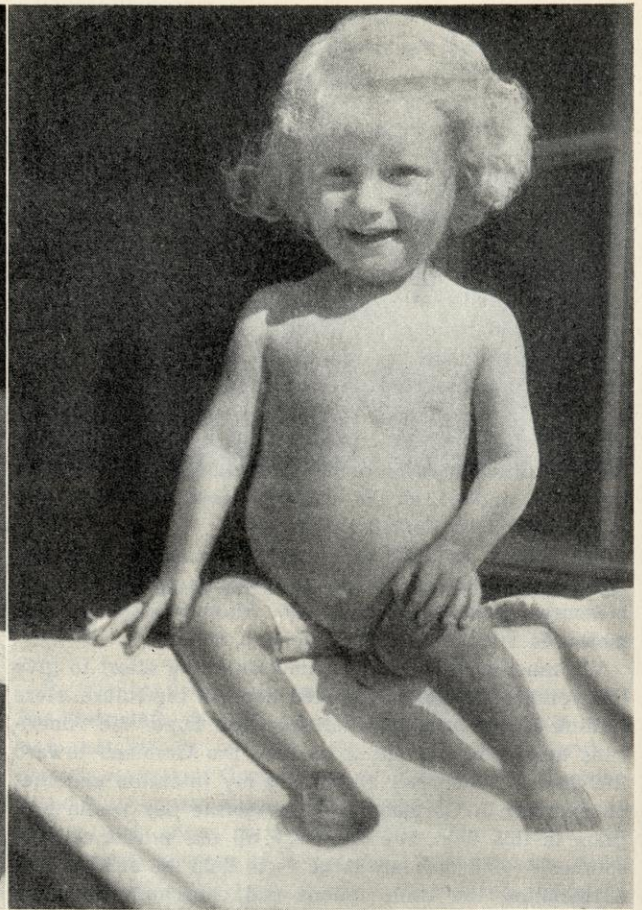
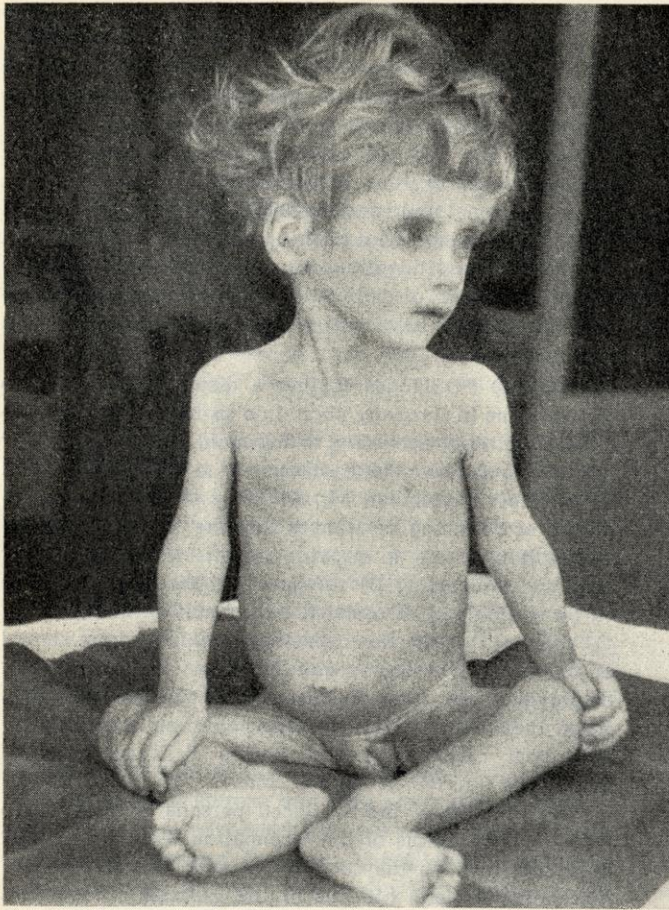
THE IRO POSITION is that a displaced person who remains in Germany should do so under the best possible conditions, according to J. Donald Kingsley, director general in Geneva. In a statement to the IRO general council last September, Mr. Kingsley stressed the desirability of obtaining assurances that the "German authorities will continue to provide a satisfactory status for both self supporting DP/refugees and those who require to be maintained or assisted out of public funds."

"We feel that displaced persons remaining here should enjoy equal privileges with German citizens to seek employment, to enter business, to secure housing and, when they require it, to receive public assistance or institutional care," explained Phillip E. Ryan, chief of operations for IRO in the US Zone.

"The problem of the displaced persons is reserved to HICOG under terms of the Occupation Statute. It is our hope that through the cooperation and understanding of these officials, and officials of the German government, this principle will be recognized and those who must remain here may do so with the minimum difficulty to themselves and to the German people." + END



Dr. Ludwig Weickman, director of the German Zonal Meteorological Organization (US), is presented scroll by Col. Nicholas H. Chevasse, commanding officer of the 2105th Air Weather Group, in ceremony at USAFE headquarters at Wiesbaden. The scroll gratefully acknowledged the zonal organization's contribution in "volunteering both personnel and facilities which assisted in providing the exacting meteorological service for the Berlin Airlift." (USAFE photo)



Death was right around the corner for little Frederick Staden, until a US Resident Officer in Frederick's Wuerttemberg-Baden home town came to his aid. At the age of one and a half, Frederick (at left) was suffering a rare disease which threatened his life unless bananas could be obtained in constant supply. Out of the Resident Officer's pocket, and as a result of a zone-wide appeal came enough funds to buy the needed bananas. The picture at right shows Frederick chubby and smiling happily six months later — completely recovered and with his weight increased eight pounds.

Resident Officer Saves Child

LITTLE FREDERICH STADEN, two-year-old German orphan, is alive and healthy today after being reprieved from death by the intervention of a US Resident Officer.

Frederich, suffering from "Coeliakie," a rare disease, was despaired of by doctors in the Ludwigsburg County Hospital, in Wuerttemberg-Baden, unless a sufficient quantity of bananas could be made available to cure his fatal ailment.

Thomas D. Griswold, US Resident Officer for Ludwigsburg, hearing of the youngster's plight, began supplying the essential banana diet with fruit purchased out of his own pocket from the local PX. An appeal by Griswold to American personnel of the Office of the Land Commissioner, Wuerttemberg-Baden netted \$164.85 within

four hours, and brought the case to the attention of *Stars and Stripes*, the American Forces Network and Radio Stuttgart.

From then on donations rolled into Griswold for the little boy. Americans in Berlin, Frankfurt, Giessen and other cities sent contributions while Germans in the area came forward with Deutsche marks and varied offers of help. British personnel telephoned offers of assistance from their zone while a special package of bananas was rushed from the Saar.

As gifts and contributions mounted up, it became necessary to broadcast an appeal to stop the flow of money and bananas. Six months after Frederick entered the county hospital, desperately ill, he was discharged, completely restored to health. + END

Good Neighbor Week

Hessian County Successful in Social Experiment For Community Cooperation and Better Housing

By JOHN W. JERGENSON

THE ACUTE LOCAL housing situation in the rural county of Friedberg in Hesse was directly responsible last summer for the inauguration of an unusual social experiment among the Germans which proved so successful that it is expected to become a yearly institution and has fired the imagination of people in neighboring counties.

Lack of sufficient housing throughout the county of 143,000 population was the dominant theme of public forums and discussion groups early last spring and summer and the subject of bitter disputes between the local housing committee and the people. With hundreds of homeless refugees aggravating the situation, tension between the new and older residents of this rich farming area became more and more apparent.

In an atmosphere charged with cross-currents of public feeling German officials and civic minded leaders sat down with the US Resident Officer to plan remedial measures to ease the tight housing outlook.

Out of these talks was evolved the "Good Neighbor Week" plan — a carnival week for and by the people devoted to all forms of entertainment and to be participated in by the entire county with the proceeds flowing back to the people in the form of a fund for housing purposes. "*Aufbau durch gute Nachbarschaft*" (Reconstruction through Good Neighbourship) was adopted as the slogan for the program and the idea immediately entered the planning stage.

A COMMITTEE of German representatives, a cross section of the county life, was selected. The committee consisted of 20 members and included county officials, church leaders, businessmen, craftsmen, representatives of women's groups and farmers. To insure impartiality in the program development, the US resident officer was selected as chairman.

The next step was to secure the backing of the mayors of each of the 71 communities in the county who in turn would select a Good Neighbor committee in his respective community which would be representative of the same groups comprising the county committee. Each community committee, organized on a smaller scale than the higher county one, would have at least five committee members plus the mayor who was to act as chairman. With this ground work for the program completed it was then necessary to sell the idea to the people themselves.

This plan was originated by Mr. Jergenson while he was serving as the US local representative in Friedberg county. With the rotation of personnel and reorganization accompanying the advent of the High Commission in Germany, Mr. Jergenson was transferred to Fritzlar County, where he is now serving as US resident officer.

The week was scheduled from August 27 through September 4 and the aid of the local German newspapers and radio was solicited. Because of its novelty, the idea became a "natural" for publicity stunts and promotion. Several newspapers set aside a certain amount of space each day for the development of the program while on the occupation side, military post organs and the *Stars and Stripes* gave

the week wide coverage.

An essay contest for school children on "What can I do to better the good neighbor spirit?" was conducted by the county superintendent with a free Rhine River cruise going to the winners of the 20 best essays.

BY SPECIAL ARRANGEMENT with the US Constabulary, three planes flying over the county dropped 20,000 pamphlets promoting the Good Neighbor theme while 20 of these pamphlets with special markings earned 20 DM (\$4.76) for those lucky enough to find them. One of the winning pamphlets floated into a man's kitchen window giving real meaning to the old saying, "Good luck landed in his lap."

The county administrator and the Resident Officer gave speeches in the four cities in Friedberg county explaining the real goal and necessity of the week. In an effort to keep each town and village informed of the progress in programming, a Good Neighbor bulletin was issued by the Resident Officer twice a month and sent to all 71 mayors. Through the bulletin the working committees of each community were informed on each new idea and all work completed to date.

On August 27 the first Good Neighbor Week in Europe began in each small community throughout Friedberg county. American occupation officials and representatives of the German government came to the town of Friedberg to inaugurate the week and to participate in the opening ceremonies. A US Army band highlighted the occasion with a concert in the market place followed by a football match between a German and a British team. The day was marked by sporting events, folk dancing, feasts and concerts on a countywide scale while at night colored lights outlined the silhouette of ancient Friedberg castle.

THROUGHOUT THE WEEK entertainments varying from horse shows to garden festivals and a two orchestra openair dance with 5,000 people jamming Bad

(Continued on page 22)



Dog's day—Snooks, a scotty, at right; Arion, the curious dachshund; and Troll, the friendly schaeferhund, await their turn (left) at the Small Animal Clinic. Kwan Yin (Goddess of Mercy), a chow puppy, and his playmate Shanghai Bruce are registered at the desk by Mrs. Walter Rundle. The clinic services ailing pets in a 50-mile radius of Frankfurt.

Small Animal Clinic

LEADING A DOG'S LIFE in Frankfurt is not such a bad existence after all—at least for patients of the military post's Small Animal Clinic located in a wing of the Dental Clinic building near HICOG Headquarters.

The clinic services the ailing pets of US and Allied personnel spread out through a 50-mile radius of Frankfurt in addition to examining German owned dogs reported for biting.

Open five mornings weekly, the clinic averages between 30 and 40 animals a day. By mid-morning most of the patients have arrived and their mingled voices in the waiting room would terrify all but the most ardent canine fancier.

During the past year more than 7,900 patients were treated at the clinic for ills ranging from distemper to broken nails. The great majority of the pets are dogs although out of last year's number one percent were cats. Other patients included one fox, one deer and four canaries.

ACCORDING TO Major Arthur Hogge, post veterinarian, 35 to 40 percent of the dogs are treated for respiratory complaints including distemper, colds, bronchitis and pneumonia; 15 percent of the animals are processed for shipment to the United States, and the remainder suffer from skin diseases, digestive troubles and injuries. The clinic has recently expanded to include minor surgery such as ear and tail trimming.

The largest number of patients are boxers with *schaeferhunds* (police dogs) running a close second and dachshunds coming in third. Pets brought to the clinic

are first registered at the desk. Name, age and breed are duly noted along with the animal's complaint and cross-filed under both the owner's and pet's name. On subsequent visits the animal's complete record and past medical history are readily available in the files.

Under the care of German veterinary Dr. Guenter Ruppel, patients are examined, their trouble diagnosed and treatment given. Diagnosis and treatment are free and owners pay only a nominal fee for medicines provided by the clinic. During the past year this has amounted to approximately 16 cents per patient.

AMONG OTHER FUNCTIONS the clinic serves as a "marriage bureau" or lonely hearts club for animals which have lacked the opportunity to meet others of their own breed. Files are made available to owners who wish to mate their pets but who don't quite know what to do about it. The rarer breeds among the animal life in Frankfurt have taken greatest advantage of the service. Skye terriers, Irish setters and Siamese cats, in particular, have availed themselves of this opportunity.

Telephone calls swamp the clinic from worried owners of hypochondriac pets querying the veterinary on a wide variety of subjects. Recently a hysterical owner of a healthy collie called the clinic. "I am expecting company for dinner and have baked a chocolate cake," the woman said. "My collie ate the cake and the company will arrive any minute! What shall I do?"

In addition to the Small Animal Clinic, the post veterinarian has medical charge of 250 army dogs used for guard and sentry duty; 450 hogs at the Frankfurt



This little pig (left) will go to the Officers' Club when he grows up. Dr. Guenter Ruppel, veterinary at the Small Animal Clinic, treats one of the army dogs used for guard duty. The dog, an ugly customer to all but his trainer, is tightly muzzled, and held quiet during ear operation.

(All photos by Jacoby, PRD HICOG)

Military Post pig farm which are regularly inspected for edibility and used for post mess sections, and 17 riding horses at Kronberg. + END

6,000th Youth Leader Trained By Community Activities Branch

HICOG's Community Activities Branch has trained its 6,000th youth leader. This training program, conducted by HICOG and by the state commission youth officers, consists of short-term courses at five resident schools in Berlin, Hesse, Wuerttemberg-Baden and Bavaria.

"At first," said Lawrence E. Norrie, chief of Community Activities Branch, Education and Cultural Relations Division, Office of Public Affairs, "training was done entirely through organized courses. Later, a Rockefeller grant made possible replacing early courses with permanent leadership training schools. These schools are now financed jointly by special HICOG grants-in-aid, by Rockefeller funds, and by a contribution from German sources, amounting to 40 percent of the total budget."

Training courses, it was explained, are all "short term" in order to permit German workers to attend. Emphasis is on teaching leaders how to conduct a discussion, on social psychology, democratic leadership and on the techniques of working with groups.

Riding horses at Kronberg, near Frankfurt, receive weekly medical inspection from the veterinarian of the Post.

Special attention has been given to providing books, pamphlets and manuals for youth leaders. A magazine, *Wir Alle* (We All) is now published and distributed to more than 10,000 leaders throughout the US Zone. A circulating library has 9,000 books and magazines on youth activities and leadership. The Hessian Camping Association has sold 5,000 copies of its new handbook and is now getting out a second edition.

These schools report participation as follows: Berlin, 60 courses, 1,800 students; Ruit, Wuerttemberg-Baden, 50 courses, 1,500 students; Starnberg, Bavaria, 28 courses, 750 students; Haus Schwalbach, Hesse, 12 courses, 300 students; Oberreifenberg, Hesse, 40 courses, 1,200 students.





US High Commissioner for Germany John J. McCloy gives his smiling congratulations to Maj. General George P. Hays, deputy high commissioner, after presentation to the general of a cluster to his Distinguished Service Medal for his work as deputy military governor and deputy high commissioner since August 1947. Present at the ceremony, shown at left, were General Thomas T. Handy, commanding general of EUCOM, and Lt. General Clarence Huebner, commanding general USAEUR. Mr. McCloy made the presentation.

(US Army photo)

Gen. Hays Decorated

MAJ. GEN. GEORGE P. HAYS, deputy US high commissioner for Germany, was awarded an Oak Leaf Cluster to his Distinguished Service Medal in recognition of outstanding Military Government service from August 1947 to July 1949. The award was presented by US High Commissioner John J. McCloy at a ceremony in the HICOG Headquarters building.

The citation accompanying the award declared: "Major General Hays distinguished himself by exceptionally meritorious service in a duty of great responsibility from August 1947 to July 1949. As representative of the United States on the important coordinating committee of the Allied Control Council, he proved a negotiator of exceptional ability and conducted himself with distinction in the critical period prior to the refusal of the Soviet delegation to participate in future deliberations.

"As deputy military governor, he demonstrated great administrative ability in coordinating and supervising the field forces of Military Government and their relationships with German officials. He exhibited outstanding diplomacy and intelligent leadership in the solution of problems arising out of the initial step taken in the establishment of a western German government.

"General Hays' outstanding demonstration of leadership, courage and ability in a position of utmost responsibility and importance reflects great credit upon him and the Armed Forces of the United States."

In addition to the Distinguished Service Medal, General Hays has been awarded the following decorations during two world wars: The Congressional Medal of Honor, Silver Star with Cluster, Legion of Merit, Bronze Star, Purple Heart, French Legion of Honor Chevalier and

Commander, Croix de Guerre with Palm, British Companion of the Bath, Italian War Cross and the Brazilian Medalle Militaire.

In August 1947, General Hays reported to General Lucius D. Clay, US Military Governor, as his deputy, and upon General Clay's departure last May was delegated full authority in all US Military Government matters until Mr. McCloy took over as the US High Commissioner. He was appointed deputy high commissioner Sept. 19, 1949.

+ END

(Continued from page 19)

Good Neighbor Week

Nauheim's Sprudelhof gave evidence to the people's kinship with the Good Neighbor idea. Staid citizens danced in the streets till early morning while enjoying their share in the community enterprise.

According to the final reports of the mayors throughout the county, DM 350,000 (\$83,000) was collected, including donations of land building materials and, in some cases, working hours contributed for construction of new houses.

Apart from the financial success, the entire venture, which is expected to be repeated this year, accomplished its aim of good neighborliness among the old and new residents. Working together in a common aim, their new houses have been furnished by community action and not by the old German appeal to their government to solve the problems confronting them.

+ END

Mission for 1950

By RALPH NICHOLSON

Director, Office of Public Affairs, HICOG

INTEREST HERE seems to center on the reported resurgence of nationalism or Nazism in Germany. Those with whom I have talked since arriving in Washington have said: "Yes, we know about the remarkable economic progress in Germany, that production is nearing the 1936 level and that recent harvests were good." Of course, they also know how much American

taxpayers have contributed and are still contributing to this economic recovery. Then they add, "We are aware, too, of the political-governmental progress" and seem to believe that this is much more substantial and encouraging than it might have been but they ask, "What about the democratization of the German people as individuals, and of their schools, universities, government and newspapers?"

Mr. McCloy answered this question recently by distinguishing between healthy patriotism and sinister nationalism. He said that there was undoubtedly some of the latter in Germany but that never in his experience was so much thought and attention being given as now to making Germany democratic.

In *Time Magazine* for December 5 appears this statement: "Germans who have never shown any talent for democracy are today corroded by 16 years' dictatorship, war and defeat. They have probably made greater progress toward democracy than the United States had a right to expect on V-E Day."

Chancellor Adenauer is quoted in the *Time* article as stating: "During the Nazi years I sometimes despaired of my people but afterwards I realized that much decency had survived; something good can and must be made of the Germans."

I agree with Chancellor Adenauer that much decency has survived in Germany.

The *New York Times* said editorially on December 2: "The Germans never had democracy in our sense of the word. To expect German democracy now or in the immediate future is to court certain disappointment. Up to a point we must expect a recrudescence and survival of nationalism and even of Nazism. The game will not be lost unless the exponents of these theories get control or win a decisive following."

ARE WE MAKING PROGRESS in enabling the decency to be decisive? Is there evidence of achievement and of a sound basis for hope for the future? My answer is yes to both questions. Parenthetically, though, I suggest that we must be realistic. Democracy with shallow roots must be well and carefully nourished to survive, especially in an area where such high winds blow in from

This is a condensation of a speech given by Mr. Nicholson before the National Conference on the Occupied Countries in Washington, Dec. 10. The conference was sponsored by the Commission on the Occupied Areas, American Council on Education.

the East. We must remember, too, that traditionally the German people have possessed a great capacity for being organized—a willingness to take orders from above. They can only achieve democracy by practicing it.

Occasional anti-democratic incidents can be expected, but such incidents must not be allowed to divert us from our mission, nor should they be construed to mean that our progress has been seriously interrupted.

Our task there is to help and guide and encourage the Germans of vision and good will to lead their nation in the right direction.

Interested persons here asked me if the reappearance of former civil servants in the vast bureaucracy of Germany means that we and the many Germans who want democracy to be attained in their country, have already lost the battle.

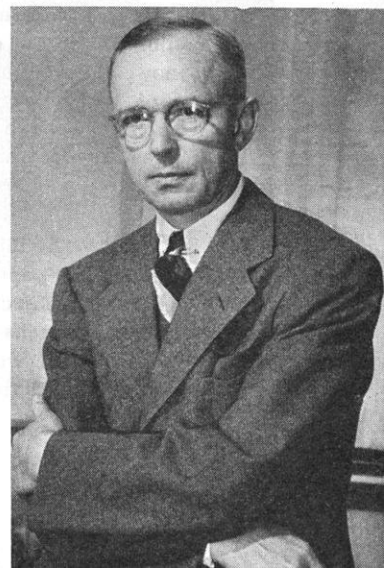
General Hays answered this question most convincingly at a recent meeting with a Congressional committee in Frankfurt. He said to remember that most of these people were Nazi followers, not leaders. They went through the various stages of denazification and were returned to their former positions or were appointed to new ones. Many of them had been in government service since the days of the Weimar Republic. They stayed on in their jobs, selling stamps, teaching school and pushing papers or people around under Hitler. They were experienced civil servants.

WHEN THE RESTRICTIONS were removed, there was a choice as to whether they should be reemployed or pensioned. The former course was followed, partly for reasons of economy. This may be regrettable but it is not regarded as necessarily menacing or sinister. It is better to have these people working under supervision and subject to observation by the German authorities and by indirect direction by the Occupation Authorities than to allow them to become a disgruntled unemployed class vulnerable to neo-Nazi schemers.

Another question that I have been asked concerns the German newspapers. Persons here are disturbed over the reports that since the licensing restrictions were removed last June by the Military Government, the

Mr. Ralph Nicholson

(Photo by Jacoby, PRD HICOG)



German press has fallen into the hands of the old Nazi owners and publishers.

You and I need never apologize for demonstrating faith in a free and unshackled press. In effect, our government demonstrated this faith when, under Military Government, licensing was discontinued. We are now concerned with what happened subsequently and the outlook for the future. I think examination of the record will show that on the whole the situation is much better than might have been expected.

Two things could have happened. The newspapers that were licensed in the American zone after careful investigation and whose performance on the whole was good, could have changed their character and performance. The vast majority did not do so. They continued to publish much the same kind of newspapers that they had been licensed to turn out under Military Government. The careful advance vettings and confidence placed in the editors and publishers were justified. Performance since June, in the main, has been creditable.

The other thing that could have happened was that as soon as restrictions were removed a vast horde of nationalistic papers could have started that would have been so appealing to the German people as to drive the licensed newspapers out of business. That didn't happen. On June 1, when licensing was discontinued, there were 59 licensed newspapers in the American Zone with an average circulation of about 70,000 copies. Since then 650 new newspapers have been established. They are principally weekly and small town dailies with circulations ranging from 2,000 to 3,000 copies. Less than half a dozen have reached a circulation of 20,000 copies. Only one is known to have a circulation in excess of 50,000 and it is being published in a city where the two ex-licensed newspapers have circulations respectively of 140,000 and 160,000.

LOOKING DOWN the long road to peace and democracy, it is too early to say that the free press initiated by our occupation will endure and will continue to play a guiding role. But we can say that the newspapers we helped into being are now beyond the incubation stage, and that, on the whole, theirs is a record of good and solid past performance which we shall continue to assist.

In no large city in the American zone has the dominant position of the old established papers been threatened by newcomers to the field up to this point. In fact, in many of the cities no additional newspapers of general circulation have been established. The reason, I think, is self evident and is eloquent evidence of the acceptability to the German people of the sound performance of the democratic press in Germany.

On the whole, the uninteresting or inadequate news coverage of the new papers is in sharp contrast with the more complete and objective reporting of the established journals. They have staffs of skilled politically responsible journalists and have won public confidence by their efficient reporting and their determination to prevent a

recurrence of government-controlled press or the reestablishment of undemocratic practices.

The road ahead is not completely clear of obstacles. Many of the ex-licensed newspapers are being published in leased plants which are owned by former Nazi publishers. In some cases, efforts doubtless will be made to upset these leases. The High Commission is alert to this danger and is prepared to cope with it when it arises.

The new newspapers have displayed a tendency toward sharp criticism of Allied policies in Germany. In so doing, though, up to now they have kept within reasonable bounds. Their nationalistic practices and sensational news treatment have not attracted audiences.

IF AND WHEN the performance of the old or new papers is in conflict with Allied High Commission Law No. 5, the provisions of that law will become operative. This means that the Allied High Commission may prohibit persons or publications from continuing in the publishing or radio business for a definite or indefinite period of time, if such action is deemed necessary in order to protect the prestige or security of the Allied forces.

I have also been asked if it is true that we have made little progress in the field of education. As I see it, it would be specious at best, perhaps even dishonest if I were to try to give you a glib "yes" or "no" answer. Field experts disagree and I assume that wide areas of disagreement could be found among you. But that is not our problem today. We would find scant profit in exploring any shortcomings that may have occurred in the past merely to set up a chorus of wailing dirges. The issue that confronts us is—where do we go from here?

We do the best we can, utilizing all of the tools we can command in every field of activity, to stimulate the growth of democracy in Germany.

We are continuing to expose the vital elements, the new leaders of all walks of German life to the operations of democracy in our own society. Democracy cannot be simply explained. It must be seen, lived with, worked with. For the same reason, our exchange program is being greatly enlarged. We need impacts that are broad and reach deeply.

And our job goes even further, deeper. The achievements in political and economic rehabilitation must not be allowed to lead to a new form of adventurous nationalism. You and I need not apologize for the hundreds of millions that have been spent to sustain life in the German people. What we must resolve is that an effort of no lesser scope be made to achieve healthy, balanced democratic German minds.

AS I SEE IT, it will take a generous and courageous effort on the part of our government and on the part of the American people to bring about the participation of the German people in their own social and political structures in a style and to a degree that will reflect democratic re-education.

One of our principal concerns is to do everything we can to stimulate greater long-term interest and activity in Germany on the part of non-governmental

(Continued on Page 30)

Report to the People

THE END OF THE YEAR 1949 found Germany almost at the end of a complete cycle — from complete economic control to practically complete economic freedom. For example, at the beginning of 1949, German foreign trade was tightly supervised by the American, British and French Joint Export-Import Agency — JEIA. In the course of the 12 months of that year, the controls were gradually relaxed, the supervision relinquished, until now, the Joint Export-Import Agency is in liquidation, with most of its authority transferred to German agencies.

The High Commission maintains only the most general supervision of German economic affairs, with the federal government being given every opportunity to prove themselves and the people they represent as a productive partner in European recovery.

That 1949 was the most colorful year of the occupation history was granted by almost everyone, and several significant events which occurred in December helped to make it so. Germany made several impressive forward moves in the progress toward democratization, not the least important of which was the signing of a bilateral agreement between the Federal Republic and the United States.

This agreement gives German authorities full responsibility for the use of Marshall Plan funds, and was signed by Mr. John J. McCloy, representing the United States, and Dr. Konrad Adenauer, signing for the German government. Many felt it to represent the most important economic event in Germany since currency reform, for its terms provided that the funds formerly administered by American Military Governors are now wholly and completely available for use by the German leaders as they see fit. Thus, Germany is accorded the same status as the other Marshall Plan nations, and its responsibility covers the use of a fund of almost \$1,000,000,000 a year.

WHEN HE AFFIXED his signature to this document, Dr. Adenauer bound his government to a number of things over and above the promise to make the best possible use of this tremendous fund. His pledge included the following points:

1. To promote the most efficient industrial and agricultural production possible.
2. To stabilize German currency.
3. To reduce trade restrictions in cooperation with other nations in the best employment of labor.
4. To eliminate unfair and restrictive business practice.

Western Germany, once more the most powerful industrial nation on the continent, had thus agreed to throw all its economic might behind the imperative drive for the recovery of Europe.

* Broadcast over AFN Jan. 6, 1950.

THE POLICE of western Germany received their full share of attention during December. Many observers, German and others alike, had expressed fears that such an agency could very readily become the nucleus of another German army. In order to forestall any remote possibility of this taking place, the Allied High Commission announced a new security measure on Dec. 2.

It issued instructions that German police cannot be so centralized as to constitute a threat to democratic government.

Included in these instructions from the High Commissioners were limitations to the number and armament of the police. Then, to make doubly certain that no police agency could grow large enough to dominate the government and establish a police state, the High Commission ordered that independent cities and districts maintain their own independent police forces. Even the statewide organization of rural police, which had been permitted under Military Government, must now be split up into smaller groups.

The final month of the year also saw the cessation of the licensing requirements for political parties which had prevailed under Military Government. This new provision for political freedom allowed the Germans to create new political parties without any restrictions except one—no Nazi organization would be allowed to be reborn.

Kenneth E. Dayton, chief of the Internal Political Affairs Division, commented that it would now be a



Mrs. John J. McCloy, wife of the US High Commissioner, presents certificate to Mrs. Elizabeth Kuep, Amerika Haus librarian in Munich, at ceremonies which marked the end of the first US Information Centers library school in the American zone. (PRB OLCB photo)



Bound for the United States, four German doctors depart Berlin's Tempelhof Airport on the first leg of the journey which was designed for study of latest developments in special medical fields. Dr. Fritz Hussels, at left, bids his wife, Dr. Katharina Hussels, director of Berlin-Zehlendorf Health Office, goodbye, as Dr. Hannelore Kuehnell, pediatrician, Dr. Wolfgang Henry, bacteriological research specialist, and Dr. Gerda Ludwig, psychiatrist, talk together before boarding plane. Other west zone doctors joined them at Bremerhaven for the trip. (US Army photo)

responsibility of the German voters to weed out the nationalistic and undemocratic parties that might attempt to organize, and to support those political elements which demonstrated that they sought to preserve and strengthen democracy.

HOW WELL the Germans were progressing in this direction was the subject of a speech by Mr. Ralph Nicholson, director of the HICOG Office of Public Affairs, which was delivered at a Washington conference of the Commission for Occupied Areas. Mr. Nicholson pointed out that the Germans had a tradition for the "follow the leader" type of government, but that the tradition seemed to have been broken.

He also said that one of his immediate tasks was to recruit qualified Americans for HICOG — Americans who could guide and encourage Germans of vision and good will along the path to democracy. One such recruit who would soon join HICOG is Dr. James M. Read, outstanding American educator, who will assume the post of chief of the Education and Cultural Relations Division.

Dec. 16 marked the passing of another law to insure that the German state will not deviate into the old militaristic and Nazi mold. In a law which is known as "The Law on Elimination of Militarism and Nazism," the Allied High Commission repealed all previous Allied decrees on this subject, and codified them into a few basic principles.

This regulation prohibits any activity in Germany which would promote the resurgence of militarism and the manufacture of weapons or any other materials which would contribute to German rearmament. It also prohibits all military or Nazi organizations, and provides

finances and imprisonment up to and including life terms for violations.

OUT OF THE ROARING furnaces and rumbling mills of the Ruhr industries have come Germany's war machines. That another one does not emerge from the now reestablished Ruhr industry is a great concern of the Allied High Commission, and of the world. In another security measure which came into full force on Dec. 16, the Federal Republic of Germany formally joined the International Ruhr Authority. According to the authority's charter, the distribution of the Ruhr's riches, and the administration of its industries will be determined by the United States, the United Kingdom and Germany, with three votes each, and the Benelux countries — Belgium, Netherlands and Luxembourg — with one vote each.

On Dec. 23, HICOG's Information Services Division made a report available to the public, and at the same time sounded a note of warning to the Germans. The survey revealed that the majority of the German citizenry had little interest in politics, were ignorant of major provisions in their own constitution, and could not even name their own state ministers president.

The overwhelming turnout for the elections of last August, approximately 85 percent, meant little since a majority did not even understand the issues of the elections. HICOG officials warned that if US Zone Germans did not develop a more active political interest and civic responsibility, the new democratic government might be jeopardized. Said Mr. McCloy on the subject:

"I think that above everything else, for the New Year, we must see more and more evidence in the German body politic of the sense of responsibility of the individual citizen, the feeling in the community that the people of the community are responsible for their government, and that the government is responsible for them."

One of the most important events of the month in HICOG was a conference of all US resident officers on Dec. 12 and 13. Some 150 of these HICOG field representatives gathered in Frankfurt to hear the remarks of top HICOG officials on the latest American policies in Germany. They were gratified to hear that Mr. McCloy and his staff representatives considered these fields of key importance in reeducating and reorienting the Germans toward democracy. They were urged to exert their extreme efforts now, in this critical time of reassumption by the Germans of their own Government.

AS 1949 DREW to a close, HICOG officials looked back on 12 months of the most significant events in Germany since the end of the war and the signing of the Potsdam agreement. During the year, the world saw two Germanys emerging from the ruins of the Third Reich. One — the Germany of the east, was quickly recognized by the free world as headed toward the slavery of a Soviet-satellite state. The other — the Federal Republic of Germany — was gradually moving under Allied guidance, to membership in the society of free nations as a democratic and peaceful state. — END

ECA Agreement Signed

WITH THE SIGNING of the US-Germany ECA agreement at Bonn, the fledgling Federal Republic assumed full partnership in the 18-nation endeavor to restore Europe's economic self-sufficiency. The international agreement was the first major one in the Republic's history, and it signalled a new era in postwar Germany's status.

On the heels of this agreement came the release of DM 1,036,000,000 (\$246,568,000) in ECA counterpart funds, to flow into thirsting German power companies, industry, agriculture and housing.

The two events heralded significant changes in Germany both internally and externally.

Germany now steps forward to link arms with 17 other nations at the Office of European Economic Cooperation (OEEC) roundtable in Paris, in the cooperative movement to make viable the European economy. A representative of the Federal Republic has taken over the chair formerly occupied by an American delegate or English deputy — or later, by an interim German representative.

At home the Germans, having drawn up a comprehensive plan for investment of ECA funds, are administering the first sizable lump of marks made available to them for industrial pump-priming.

NEW PRIVILEGES and new responsibilities accorded the German state are detailed in the ECA agreement (see page 44). Many, of course, are identical with those signed by other participants. But there are a few specific restrictions and requirements.

The pact states concisely that all American aid represents a claim against Germany, to be repaid when proceeds from German exports allow it. ECA's aid to the German state will all be in the form of a loan, with no outright grants included.

The Federal Republic, geographically and administratively separate from West Berlin, will include the west sectors of the former capital in its economic planning and use of funds.

Obligations incurred by US, British and French Military Governors or High Commissioners prior to the signing will now be assumed by the German government. Among these will probably be money paid out for the airlift, emergency gasoline and food stocks brought in by the army, and advances made by the US Military Government to German banking agencies.

Other differences in the German-US ECA agreement include an administrative clause, specifying that counterpart fund accounts are to be established for both ECA and GARIOA (Government and Relief in Occupied Areas, US Army-administered) aid. Funds in both accounts will be merged for simultaneous distribution on ECA projects.

The remaining provisions are the same: Germany joins OEEC, will work with it toward European economic self-sufficiency. It will cooperate in helping the United States to stockpile strategic and critical materials available in Germany. Tourism will be encouraged to boost Germany's

dollar assets. So that the United States can keep tabs on the workings of the program, consultation machinery will be established. At such time as foreign private investment is allowed in Germany, the Republic will cooperate in the ECA guarantee of investment program.

And to tell the story behind the acquisition of ECA funds, the progress of German economy under its sponsorship, the Federal Republic agreed to conduct a publicity program which will include the vending of quarterly Marshall Plan reports to German readers.

But perhaps most immediately significant to the German economy was the release of counterpart funds to resuscitate its flagging industries. Six hundred million Deutsche marks were available at once; the DM 436,000,000 balance awaited for its release the presentation by Germany of a comprehensive investment program.

THE COUNTERPART FUND account, withheld until the Germans had initiated an acceptable plan for its investment, had been accumulated in the following way: Since Germany had joined ECA in 1947, German firms had been ordering goods and machinery from outside countries which were paid for in dollars by ECA. Upon arrival of the machinery in Germany it was paid for in marks by the firm receiving it; but since it had already once been paid for in dollars, the marks were put into a special account which remained at the disposal of ECA. It is marks of this sort that were released on Dec. 16, 1949.

These counterpart funds will form the basis of revolving capital to be lent to needy segments of the economy on a long-term credit basis.

ECA, in approving the release, asked the most favorable terms feasible in farming out the loans: "The rate of interest charged to the ultimate user should be at the minimum compatible with the objective to attract funds other than counterpart, and funds deblocked should reach their ultimate user as expeditiously as possible."

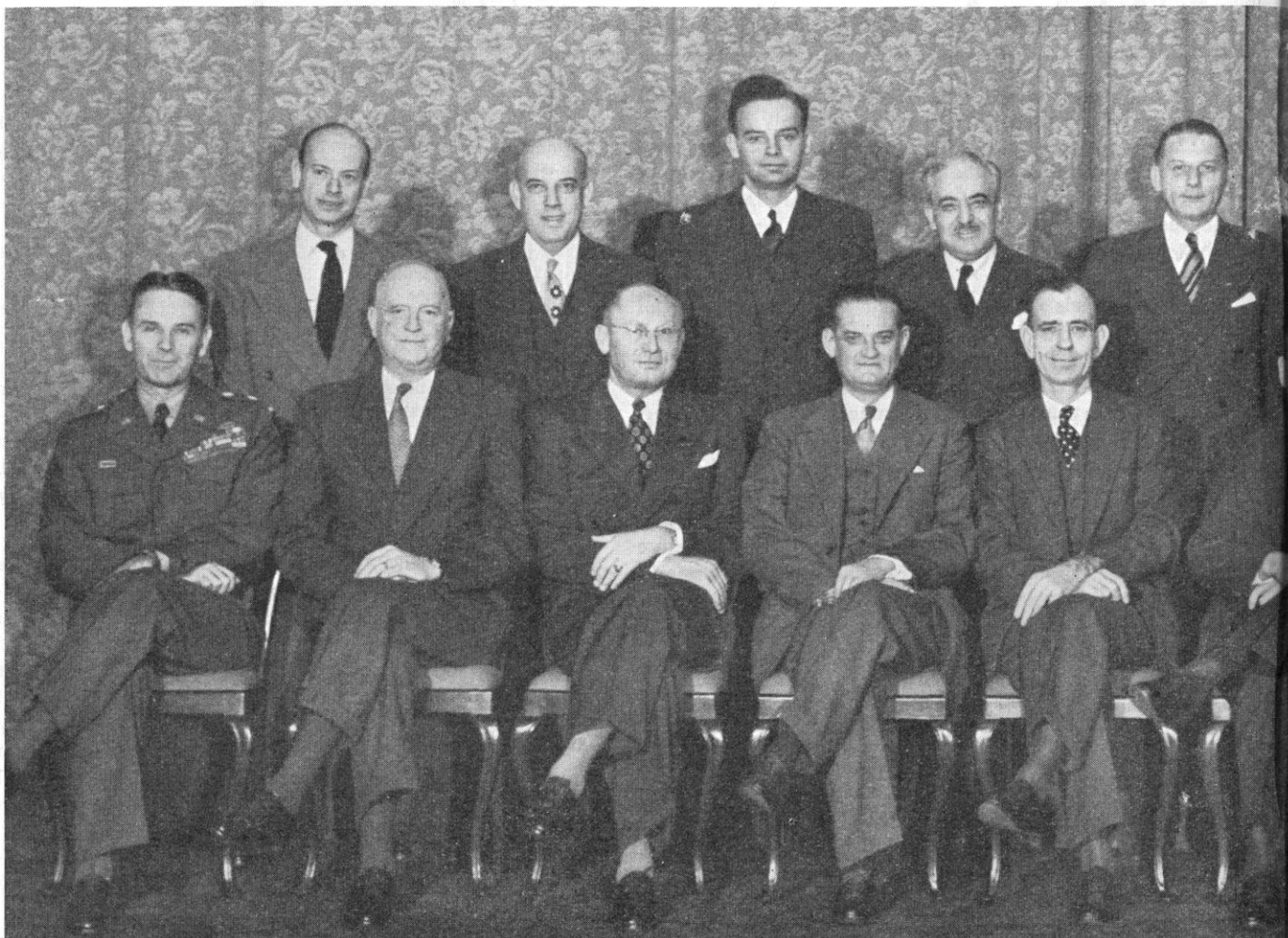
Four major divisions of the economy stood to profit from the initial outgo.

IN ALL, BERLIN will receive DM 95,000,000, a sum that, according to Maj. General Maxwell D. Taylor, US Commander, "means that the downward trend has ceased and that an upswing is on the way. With this aid, Berliners can hope to improve their industrial plant; get some new machinery; and make some strides toward raising their production..."

But this was not to be the last aid to Berlin or to all West Germany. ECA held out the added lure of further counterpart fund withdrawals in the near future.

Of the new phase in Germany's ECA participation, US High Commissioner McCloy had this to say:

"This occasion (signing of the ERP agreement) marks not only a determined step forward in the emergence of a new Germany, but advances the cause of true European cooperation, the creation of which is one of the major goals in the European Recovery Program." + END



US High Commissioner f

Front row (left to right):

Maj. Gen. Maxwell D. Taylor, US Commander, Berlin.

Capt. Charles R. Jeffs (USN), State Commissioner for Bremen.

Dr. James R. Newman, State Commissioner for Hesse.

Mr. James W. Riddleberger, Director of Political Affairs.

Maj. Gen. George P. Hays, Deputy US High Commissioner.

Mr. John J. McCloy, US High Commissioner.

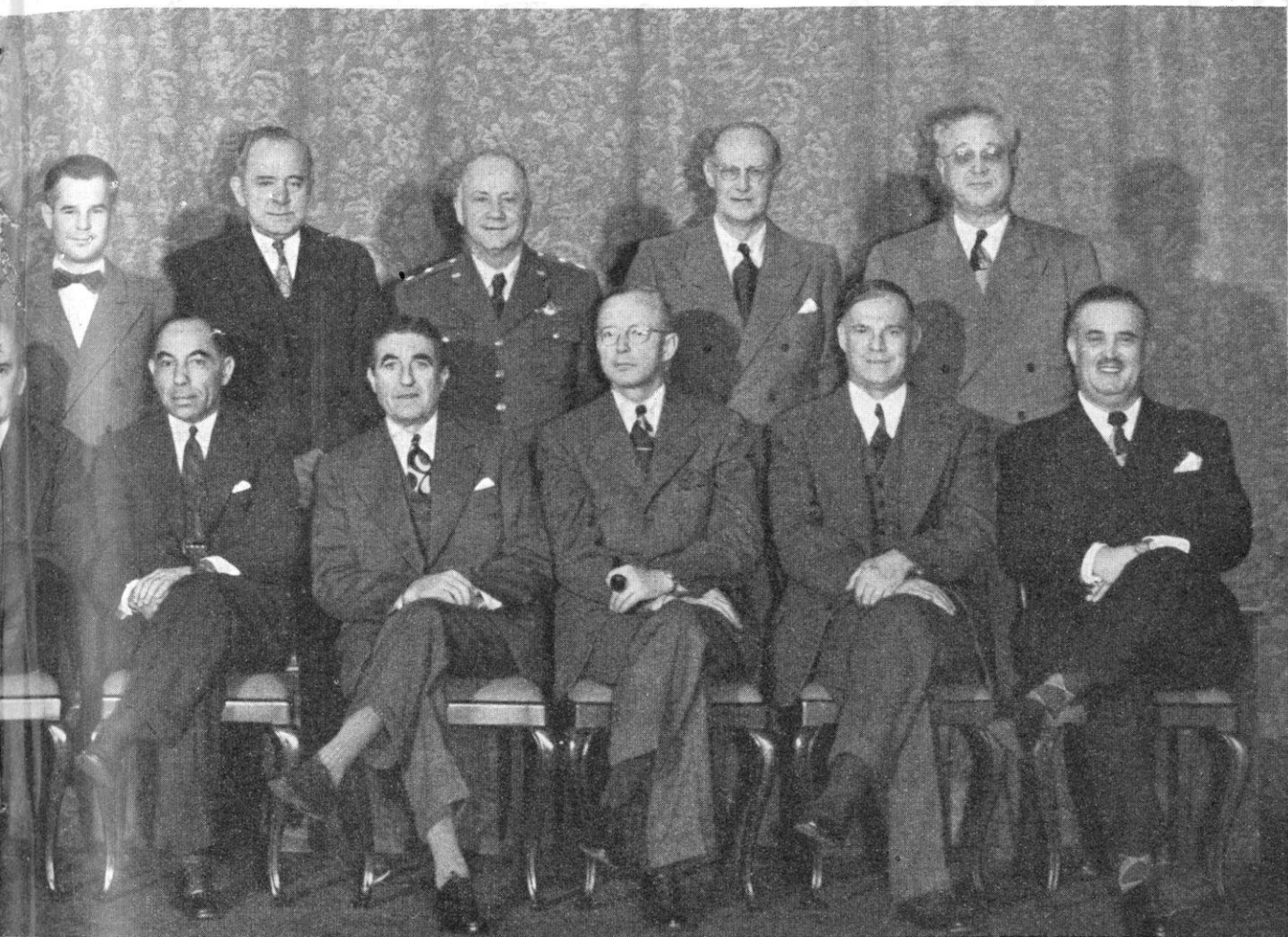
Mr. Benjamin J. Battenwieser, Assistant US High Commissioner.

Mr. Robert M. Hanes, Director of Economic Affairs and Chief of ECA
Special Mission for Western Germany.

Mr. Ralph Nicholson, Director of Public Affairs.

Maj. Gen. Charles P. Gross, State Commissioner for Wuerttemberg-Baden.

Mr. Clarence M. Bolds, Acting State Commissioner for Bavaria.



or Germany and His Staff

Second row:

Mr. Gert Whitman, Assistant for German Liaison.

Mr. Glenn G. Wolfe, Director of Administration.

Mr. Benjamin R. Shute, Director of Intelligence.

Mr. Chester A. McLain, General Counsel.

Lt. Col. H. Alan Gerhardt, Special Assistant to US High Commissioner.

Mr. James E. King, Jr., Executive Secretary.

Mr. Harvey W. Brown, Director of Labor Affairs.

Maj. Gen. James P. Hodges, US Commissioner, Military Security Board.

Col. Gordon E. Textor, Director of Field Division.

Mr. Guy J. Swope, Chief of Displaced Populations Division.

(Photo by Jacoby, PRD HICOG)

School Reform in Bavaria

WHILE THERE ARE indications of progress in Bavarian school reform, much remains to be done in effecting basic changes that will give democratic educational opportunity to 90 percent of Bavarian children now limited to eight years of schooling, Dr. Dale Zeller, US education consultant, reported to the Education and Cultural Relations Division, Office of Public Affairs.

These basic changes, she pointed out, require a new curriculum based on changed aims of education, a change in methods of instruction and a new type of teacher education.

Dr. Zeller of Kansas State Teachers College has been in Germany since July as consultant at the Kempfenhausen project in Weilheim county where its German workshop committees are exploring and testing changes in school organization and practice. It is a cooperative undertaking of the Bavarian Ministry of Education, the school staff and citizens of the Weilheim community, and the HICOG Education and Cultural Relations Division.

Based on her experience in her second trip to Germany, the first having been made in 1948, Dr. Zeller recommended the development of a long-term policy to assist those Germans who recognize that a democratic government must be supported by a democratic school system.

These recommendations included the following: Extending the program of school change ultimately to every county in Bavaria through a US Education Service Center, creation of a long-term curriculum revision plan

which begins at the grass roots, and utilizing the services of the best available educational personnel from the United States either in a full time capacity or as consultants to assist German educational authorities. She urged that elementary school teachers sent to the United States under the exchange program be in proportion to the percentage of children in elementary schools and that every effort be made to utilize their services when they return to Germany.

Dr. Zeller further recommended that steps be taken immediately to establish education research in order to give German authorities more opportunity to study their own problems, and development of a program of child guidance for all teachers.

Despite reluctant cooperation of certain groups in working for school reform, Dr. Zeller declared there are "heartening and positive elements" in the Kempfenhausen project.

Insistence that all talks in the workshops there be open for discussion now finds Germans asking a wider range of questions, voicing opinions and disagreeing with instructions of education authorities. While a number of discussions have resulted in recommendations for action, she stated, the majority of these talks are not sufficiently pointed for action. + END

(Continued from page 24)

Mission for 1950

organizations. They can now do some things more effectively than the High Commission. They can continue their activities probably longer than the governmental agencies will be operating in Germany. I realize that many such American foundations, professional and business organizations, are already doing this very effectively. We welcome and urge greater participation on the part of larger numbers and will give them every possible assistance and cooperation.

My other immediate concern is in securing just the right persons for certain positions in the High Commission organization. I am convinced that what we are doing in Germany is of such compelling importance that we must have the best qualified men and women in the United States. Now more than at any previous time these persons must be fluent in the language, acquainted with present conditions and recent history. They must be young and vigorous enough to keep up the fast pace, and to put up with living conditions that leave much to be desired. They must have had comparable experience and above all possess a sense of mission and a belief in the importance and attainability of the objective. Also they must be willing to come for long rather than short periods. + END



Lt. John S. Pallatin, GYA officer at Hersfeld, wanted to do something for the ill-clad German children in his community. He wrote to the Bendix Local Union No. 9 in his home town of South Bend, Ind., asking a collection of used clothing. The first shipment of 1,300 pounds arrived for Christmas. Here Lt. Pallatin and children — the potential recipients — watch as clothing is unloaded from plane that carried it to Rhine/Main Air Base. (US Army photo)

Occupation Vignettes

“Pass the Mustard, Bitteschoen!”

This is the story of a hot frankfurter in postwar Berlin.

To understand this little mystery, one must first take his mind back to peace-time Berlin. In the evenings on the streets could be seen the gay Berlin theatergoers and other revellers indulging in their favorite traditional pastime—buying from street vendors a nice, fat, juicy hot frankfurter, dipped in plenty of mustard and all washed down with a mug of frothy beer.

This was more than a mere tradition in Berlin. It was part of the “Berlin air”—a proud display of urbanity, its badge of democratic sophistication. Like the bag of peanuts or hot dog at America’s baseball and football games, it was something very special. Then came the war. Street sale of such food was not permitted because of rationing and sanitation considerations. After the war, the ban had to be continued. The Berliners were sad.

In 1946 a young popular German composer-vocalist named “Bully” Buhlan created a sensation in Berlin with his song entitled, “*Wuerstchen mit Salat*” (Hot Dogs with Salad). It was interesting to observe the dreamy-eyed longings of German listeners as they heard Buhlan sing the lyric lament of his song, which summed up what was in their hearts. If only they could once again buy their hot frankfurters on the streets in the evening as they had in Berlin’s happier days before the war.

Then it happened! Last autumn the Berlin City *Magistrat* forwarded a proposed law to the Allied Kommandatura that would again permit the sale of hot frankfurters for immediate consumption on the streets and other public places. The Legal and Civil Administration Committees forwarded speedy recommendations for approval to the commandants. The new law became effective Oct. 15.

Thus, in spite of the insurmountable obstacles resulting from the Soviet-imposed blockade and notwithstanding the many other difficulties in war-torn Berlin, here was a symbol that the fight for return to better things was being won. So, at the opera, at the theaters, on Kurfuerstendamm and on other famous streets of Berlin the people were given this fresh proof that Berlin is returning to normalcy.

As they gaily buy their hot frankfurters there will be noted a new found hope and determination as the Berliners loudly say, “Pass the mustard, *bitteschoen!*” — *Contributed by Arthur A. Birnkrant, Legal Affairs Division, Berlin Element, HICOG.*

Story Behind the Story

A NEWS ITEM, captioned “City Council Promotes Freedom of Press,” was printed recently in the *Stuttgarter Zeitung*, reading as follows:

“In implementation of Article 4 of the Wuerttemberg-Baden press law, the administrative department of the

Stuttgart City Council resolved unanimously to amend the bylaws of the city in order to facilitate better information for the press and radio.”

As most readers of newspapers and magazines know, there is usually “a story behind the story,” and following that pattern there is, behind the *Stuttgarter Zeitung* item, a story illustrating the effective work of a local US Resident Officer in assisting his community in obtaining better relations among the people through democratic methods. This is the story:

Several weeks earlier, Joel B. White, then deputy Military Government officer in Stuttgart, conducted a coordinating seminar on “Police Operations in Public Safety and Traffic Engineering.” This conference was attended a story illustrating the effective work of a local US Resident Officer in assisting his community in obtaining atives of Stuttgart Military Post and US Constabulary Headquarters.

EMERGING FROM the conference room, Mr. White was approached by several German newspapermen who told him that it was difficult for them to obtain news from the German Police Department, and could he do something about it. It had been practically impossible for the newsmen, and consequently the taxpaying public, to learn or know anything about “in-conference” and “behind the scenes” activities.

Mr. White thought he could, so arranged another conference to which he invited many of Stuttgart’s officials, including governmental, police and public safety. He also invited members of radio and press. Mr. White sat in the background while the officials and the members of press and radio held an “open debate” with the following result:

(1) That a police reporters’ room and facilities would be established, that the newspapers and the radio could secure information, and that the police would cooperate with the news media.

(2) That the City of Stuttgart be requested to amend its bylaws, which forbid city employees releasing information to the news media.

The above clearly illustrates the part that US Resident Officers, who do not give orders or express opinions on German problems, may play in assisting the German people to get together on matters for their mutual benefit.

Mr. White had issued no orders, expressed no opinion and applied no pressure—yet he was able to establish a course which the governmental officials and the press and radio followed and, as a result, came up with a satisfactory solution. — *Contributed by Marcus L. Hoover, US Resident Officer, Stuttgart.*

Nice Not to Be Forgotten

THE AGED AND INFIRM were not neglected during the Christmas festivities, as attested by a letter written by an elderly woman to her cousin about the

celebration in an old-age home in Berlin. A translation of the letter was forwarded to the HICOG headquarters in Berlin by the German Welfare Office in Zehlendorf borough.

"Today I must tell you something special about our Christmas on which we all thought of our beloved ones away from us:

"Shortly before Xmas I received a little note from our social office, inviting me to a Xmas tea party.

"You know how lonely I have been, living here with strangers since my son was killed and I lost my apartment through bombs. Hence, I was anxiously looking forward to meeting people again and left the house well in time.

"The party took place in a large festival hall of the *Evangelische Gemeindehaus* (Evangelical Community House); three long tables were laid and lighted with candles. A high Xmas tree was standing in one corner and about 100 old and lonely people like me enjoyed the candles' brightness. Children came in with little lanterns, posted between us, in turns recited the Xmas story and sang the old Xmas songs.

"Then we learned through a little speech that the wonderful coffee served was a donation from America, which an American colonel here in Berlin had given to the aged. The smell of the coffee immediately stimulated our spirits, and in addition some wonderful cake was served—prepared just as in former times.

NEXT TO ME SAT an old and feeble woman who had just arrived in Berlin from the Soviet Zone. She had not had any real coffee for nine years and she was so happy when the cups were refilled.

"A little later there came an old couple, the man almost blind. People quickly made room so that the two could sit together because they would celebrate their Golden Wedding at Xmas. As they live very poorly at home they celebrated this anniversary with us. They also joined the singing when we all sang Xmas songs.



Pfc. Edward C. Riccio of the Giessen QM Depot helps St. Nick as he gives a Christmas package to a little German girl at the depot's party for German employees' children Dec. 18. Six hundred attended. (US Army photo)

"Thus we old and single people, having lost so much and having dreamed of a somewhat different eventide—as the *Bezirksrat* (borough official) mentioned—spent a nice Christmas hour.

"Thank you for all your help; it is so nice to know that you do not forget us Berliners."—*Contributed by Wilmer Froistad, Chief, Public Health and Welfare Branch, Berlin Element, HICOG.*

The Mayer Backed Down

THE FARMERS and trade union officials of a small Bavarian town met recently to try to work out an agreement for a fair price for potatoes. The arguments became caustic and heated. Suddenly the town's mayor launched toward a labor union official who was speaking and struck him in the face.

The incident aroused the anger of the townspeople and 250 of them assembled in a town meeting. A resolution was drafted demanding the mayor's removal from office. If this demand was not met, the indignant local residents threatened to call a county-wide strike.

The following day the mayor was asked to appear at a town meeting to state his defense to his constituents.

More than 300 persons, including representatives of the local trade union, heard the mayor offer to apologize publicly to the victim of his attack and to make a generous contribution to the local Red Cross.

The offer was rejected by the trade union officials, who made the following counter proposal: The mayor would pay damages to the victim of his attack, he would donate DM 100 to the local welfare workers' fund, he would pay all transportation expenses incurred by the officials attending the meeting, and he would make a written apology for publication in the local newspapers.

The mayor, having agreed to these terms and shaken hands with the victim of his attack, was reinstated in the good graces of his constituents who departed congratulating themselves on the results that can be accomplished at a town meeting. — *Contributed by Public Relations Branch, OLC Bavaria.*

Ex-GI Pays Old Bill

SUDDEN REDEPLOYMENT did not stop a former US soldier, who had been stationed in the US Zone of Germany, from remembering and paying his debt to a German garageman in the Hessian town of Hanau.

The former soldier, who now lives in North Carolina, wrote the economic affairs officials of OLC Hesse that he owed a bill of DM 350 to the Hanau garageman for repairs made to his jeep while stationed in that town.

Because his redeployment date came sooner than he had expected, the writer explained, he had had to leave without paying the debt. He requested help in getting his US dollars legally changed into Deutsche marks.

The economic affairs officials forwarded the request to the Bank Deutscher Laender to arrange the legal transfer of funds to pay the debt. — *Contributed by Public Relations Branch, OLC Hesse.* + END

Minor Political Parties

Center Party

THE CENTER PARTY today carries on in postwar Germany the name of the famous Catholic Center Party that played such a prominent part in the history of the Bismarckian Reich and the Weimar Republic. But it differs widely from its predecessor, since it incorporates only those left-wing elements of the pre-1933 organization that were represented by such men as ex-Chancellor Dr. Josef Wirth.

The present Center Party was founded in Lippstadt in Westphalia on July 15, 1945. It was started by aging, conservative Dr. Wilhelm Hamacher, but its creation was largely the work of Dr. Karl Spiecker, who was a member of the Executive Committee of the Center Party in the Weimar Republic and of the famous republican organization, Reichsbanner Black-Red-Gold.

In contradistinction to the middle-of-the-road CDU, the Center Party is a distinctly leftist organization. This may partly be explained by the fact that the Center Party's stronghold is the Ruhr, where the old Christian (Catholic) trade unions are still so strong. There it offered strong competition to the CDU.

It was perhaps for this reason that, in the summer of 1948, Dr. Karl Arnold, Minister President of North Rhine-Westphalia, and himself a member of the leftist wing of the CDU, opened negotiations for the merger of the two parties. These talks were carried on with the knowledge, if not the enthusiastic endorsement, of Dr. Konrad Adenauer. The negotiations collapsed after the vote on the bill to socialize the coal mines of the Ruhr in the North Rhine-Westphalian Legislature, a measure which the Center Party deputies supported while the delegates of the CDU stood coldly aloof. The Center Party regarded this as a breach of a promise made by Arnold in his programmatic speech to the Legislature upon assuming office as minister president in 1947, when he said that he would make the coal mines in the state the property of the community.

The negotiations were resumed early in January 1949 when both Dr. Adenauer and Dr. Spiecker proposed to amalgamate the two parties. The offer was submitted to a delegates' conference of the Center Party, but was rejected by the overwhelming vote of 239 votes to 26 with two abstentions. It is reported that the rank and file of the Center Party regarded the CDU as too reactionary. Dr. Karl Spiecker, who had been elected as leader of the Center Party in succession to Dr. Johannes Brockmann at the party's annual convention in December 1948 and who had warmly supported the merger offer, immediately resigned. Dr. Spiecker himself suffered the humiliation of being expelled from the party which he had done so much to call into being.

The Center Party is today largely a British-Zone organization. Elsewhere, it exists only in Hesse where it is licensed in nine of that state's 47 counties. In the British Zone, it is moreover a serious political factor only in North Rhine-Westphalia. In the Legislature elections held on April 20, 1947, it polled 9.77 percent of the votes in that state, compared with 4.12 percent in Lower Saxony and a bare 0.10 percent in Schleswig-Holstein.

ALTHOUGH THE Center Party, like the CDU, was founded by men and women belonging to the old Catholic Center Party, there exist many wide divergencies between the two parties. The Center Party is a decidedly leftist party, standing somewhere between the SPD and the CDU. The Center, as a rule, sides with the SPD on questions of economic or social policy and of governmental structure, and votes with the CDU on matters of religion, education and culture.

The Center Party totally rejects the fundamental thesis of the CDU that modern political and economic problems can be solved by applying the principles and teachings of the Christian religion.

Bavaria Party

THE BAVARIA PARTY originally existed as the Bavarian Democratic Union, founded at Augsburg in March 1946 by Baron von Seidlitz.

The young party obtained support when Dr. Wilhelm Hoegner, the Bavarian minister president, sent Ludwig Lallinger, his aide, to confer with Baron von Seidlitz on extending its organization. Lallinger became the virtual leader of the party in its formative states and founded other groups, under the name of Bavarian Democratic Union, in Munich and Simbach.

In August 1946, this group applied for a state license under the terms of which the party would change its name to Bavarian State Party upon authorization at state level. Since the party demanded Bavarian autonomy, the application was rejected.

Lallinger changed the name of the party to Bavaria Party (*Bayern Partei*) and set about building up the party so that it could qualify to apply again for a state license. This work required the participation of new elements which were opposed to Lallinger, including Baron von Aretin, Jr. and Anton Donhauser, who are monarchists. By the time the application for a license was again handed in, these new elements had gained control of the party and transferred the leadership to Dr. Josef Baumgartner, formerly minister of agriculture in Bavaria and a member of the Christian Social Union. The Bavaria Party was granted its license on March 29, 1948.

The salient facts regarding the history, background, aims, organization, leadership and membership of the German political parties of today, have been drawn from a volume on the "Political Parties in Western Germany" issued by the Civil Affairs Division, OMGUS. This month's article dealing with postwar Germany's lesser political groups is the last of the series.

BAVARIA FOR THE BAVARIANS is the keynote of the Bavaria Party. The party considers Bavaria an independent state connected by ties of external association with the commonwealth of German states.

For this reason, the party platform calls for "an independent, viable Bavarian state within the framework of a German national community." It would in effect restore the old Germanic Confederation that existed before 1848, which loosely tied the German states and principalities. Viewing Bavaria as a sovereign state, the Bavaria party naturally demands the creation of the office of a state president — a proposal that was rejected by only one vote in the Bavarian Constitutional Assembly of 1946.

The Bavaria Party advocates Bavaria entering a "United States of Europe" as a state on equal terms with other member states.

The Bavaria Party opposed the drafting of the Basic Law at Bonn because it saw in its work a repetition of the "mistake" that was made in 1871 when Bavaria consented to enter Bismarck's Reich and, thereby, "surrendered her independence." According to the party leaders, this led inevitably to the domination of Prussian militarism and to World War I. This "mistake" was repeated in the Weimar Republic which led just as irrevocably to Hitler and World War II. It held that the adoption of any basic law would result in a third world war.

The Bavaria Party is at present the nearest approach to a monarchist party in Germany. While he has not actually come out in favor of the return of the monarchy, Dr. Baumgartner has public demanded a plebiscite on the return of the Wittelsbach family to the throne of Bavaria.

At a meeting of the party at Passau on June 18-19, 1949, Dr. Baumgartner said that there were both monarchists and republicans in his organization and he proposed that eventually a referendum should be held to determine the form of state.

In line with its cry of "Bavaria for the Bavarians," the party demands that all the leading positions of the



Dr. Herbert Lewin (left), elected chief physician of the Offenbach Gynecological Hospital, was originally rejected by the city council because of his Jewish faith. In the storm of public indignation that followed, the mayor was dismissed and Lewin reinstated in a new election. Here he discusses the job with US Resident Officer William Rule of Offenbach.

(PRB OLCH photo)

Bavarian state and public administration be held by Bavarians. The party has made much of what it calls "the Prussian Question." By this it means that too many North Germans had emigrated to Bavaria during the war and are now occupying top governmental posts in the state. It, therefore, demands the return to the other areas of Germany of all evacuees and refugees.

In economic matters, the Bavaria Party calls for the creation of an "Economic Chamber" to represent all professions and trades with a status equal to that of the Legislature. The Economic Chamber would be responsible for economic security.

The party dedicates itself to the protection of private enterprise and the "fostering of genuine Bavarian national customs."

The Bavaria Party stands for "Christian ideology as the basis of government in Bavaria" and declares that the religious education of the youth is to be determined by their parents. All essential problems between church and state are to be settled by treaty.

Economic Reconstruction Party

THE ECONOMIC RECONSTRUCTION PARTY (*Wirtschaftliche Aufbau Vereinigung*) generally referred to from its initials as the "WAV," is a one-man party, founded by its present leader, Alfred Loritz, one of the most colorful figures in German politics today.

In the Weimar Republic, Loritz, a lawyer by profession, was a member of the Economic Party. It was perhaps natural then that, after the collapse of Nazism, he should set about organizing another middle-class party. He founded the organization which he called the Economic Reconstruction Party in December 1945 and, in March 1946, it was provisionally authorized by Military Government.

Loritz began to lash out at all other political groups, gathering around him a variety of disgruntled elements. Newspapers and satirical magazines lampooned Loritz as the "coming *fuehrer*" and mocked his methods, yet slowly and steadily the party grew until, in the December 1946 elections, it suddenly found itself, with 7.4 percent of the votes, in third position in Bavaria, trailing only the CSU and the SPD. Thirteen WAV delegates were elected to the Legislature.

At that time, both the major parties strove for a coalition with the WAV in order to get this party under control, and Loritz was offered the post of denazification minister. Loritz accepted the post only to be removed from office on June 24, 1947, for purportedly establishing something like a secret police force within his ministry. A month later, on July 19, he was arrested on black market charges and sent to a Munich prison. He immediately fell ill, and was allowed the liberty of treatment in a sanatorium from which he escaped. It took the police one year to catch him.

Loritz also faced trouble within his party, which was torn by internal quarrels. This party strife culminated in a fight between Loritz and WAV Legislative Deputy Karl Meissner who led the opposition. In June 1947, Meissner both toured Bavaria extolling the achievements of the

"Master" during his ministry and at the same time called a meeting to oust the chief. Meissner summoned the local party leaders to a state convention in Munich for June 20. Loritz wired the leaders to stay away, but Meissner wired them to come anyhow. On June 19, Meissner was voted out of the WAV parliamentary group by his fellow delegates; he had his revenge on the next day, at the state convention, when Loritz was voted out as party leader and replaced by a five-man commission consisting of Karl Meissner himself and four others. Loritz left the meeting protesting loudly of illegality and threatened reprisals.

However, this did not end the party's difficulties. In November 1947, Meissner and four of the 13 delegates to the Legislature bolted the WAV to form the "*Deutsche Block*." Subsequently, in August 1948, Julius Hoellerer, who had been elected to the chairmanship after Loritz's dismissal, broke with the WAV amid charges and counter-charges of dictatorship and dishonest guidance. Since then the WAV bloc in the Bavarian Legislature has been so weakened by desertions that now only three of the original 13 deputies remain in it.

While in hiding from the police, Loritz still kept in touch with his followers. He even suddenly appeared at the party's state meeting in Munich, on Oct 23, 1948, was once more elected chairman and then vanished again.

On the night of Nov. 11, 1948, when most Germans were preparing for the work stoppage protest scheduled for the next day, Loritz was caught—or allowed himself to be caught—by the Munich police. A month later, his trial was over, Loritz was free again and immediately started to draw new crowds.

The two cardinal principles of the Economic Reconstruction Party that distinguish it from other parties are its demands for (a) plebiscitary democracy, and (b) government by experts. By plebiscitary democracy the WAV means that all important issues, instead of being passed upon by the parliaments and legislatures, shall be referred directly to the people at a referendum. The WAV is opposed to the socialization of industry, the right of co-determination of work councils in the management of industry and Bavarian separatism.

The German Party

THE GERMAN PARTY (*Deutsche Partei* or DP) dates back to the 60's of the last century when the old kingdom of Hanover lost its independence and became a Prussian province. There were then many persons in that new Prussian province who wanted Hanover to remain independent, especially the conservative farmers. These Hanoverian conservatives founded the German Party in 1865 to defend the old German Confederation and to fight Prussian hegemony, protested against the exclusion of Austria from the German *Bund* that Bismarck had established.

The "Iron Chancellor" would not allow the new political organization to call itself the "German Party" and the name was therefore changed to "German-Hanoverian Party." One of the founders of the party was Bismarck's arch-foe, Ludwig Windthorst, who later was destined to

lead the Catholic Center Party into battle against the founder of the German Reich in the celebrated "*Kulturkampf*."

Known as the "Hanoverian Party" in the days of the Weimar Republic, it was represented in the Reichstag, having at one time as many as 11 deputies. Although a right wing party, it was never as extremely reactionary as the Nationalists, and had no connection with the Nazis. In 1924 the party came closest to achieving its goal, when it actually did succeed in getting a plebiscite held on the subject of restoring the independence of Hanover. The failure of the plebiscite is attributed by the party leaders to the "undemocratic influencing of the election by Prussian officials."

In 1933 the party suffered the same fate as the other German parties and was dissolved. Some of its members joined the Nazi movement, but quite a number of its leading personalities remained outside the Hitler organization and some even joined resistance groups.

After the collapse of the Third Reich, the party was quickly revived in 1945 under the name of Lower Saxon State Party (*Niedersaechsische Landespartei* or NLP). Its immediate aim, the creation of an independent State of Lower Saxony (Hanover) and complete separation from Prussia, was achieved by the end of 1946.

In the course of 1947 a new element of nationalism was introduced into the party through the influx of a conservative group of persons who, in the absence of a right wing movement, chose the NLP as their instrument. The party, in the meantime, had spread beyond its homeland, Hanover, to Bremen, Hamburg and Schleswig-Holstein. Consequently, at a meeting held in Celle in 1947, it assumed its original name of "German Party."

Nevertheless, the German Party is still strongest in Lower Saxony. In the Legislature elections held there in the spring of 1947, it emerged as the third largest party, polling 440,367 votes, representing 18.8 percent of the total. It has 28 members out of 149 in the Legislature of Lower Saxony. Deputies of the party sit in the popular assemblies of Bremen and Hamburg.

The German Party stands for the decentralization of Germany and the setting up of a "Federation of German States" in preference to a German Reich. This federalist Germany is to be a part of a federalist Europe. Indeed, the German Party would like to give the West German State the name of "Revival of the German Reich" ("*Erneuerung des Deutschen Reiches*"). This title would indicate that it was not Bismarck's Reich that was being restored, but the "Holy Roman Empire of German Nations" that Napoleon destroyed in 1806.

The party has in fact very close affinity with the Christian Social Union in Bavaria. Indeed, it may be considered a Protestant North-German counterpart to that predominantly Catholic party in South Germany.

The German Party is distinctly a rightist party, in fact perhaps the most conservative political organization in Germany today. It favors free enterprise, fiercely opposes all forms of socialization and controlled economy, is against land reform, and supports generally a policy favoring the farmers.

— END

Personnel Notes

JEIA Chief Retires

William John Logan resigned as director general of the Joint Export-Import Agency after two-year service. To fill the vacancy in JEIA which is now in liquidation was named Morris S. Verner, Jr., who had been deputy for operations since November 1948.

In accepting the resignation on Jan. 5, US High Commissioner John J. McCloy said:

"As the famous JEIA goes into liquidation you can well consider your labors with this organization as having been completed. The variety and quantity of German trade which was regulated through this agency is not appreciated by many, nor are the complex problems which the establishment and maintenance of the agency presented. Due to your expert experience and good judgment you were able to maintain a steady improvement in the German trade position. Even though many people are not aware of and will never be aware of all the work that was done, you can take great personal satisfaction in your administration of this very difficult task."

Mr. Logan stated that he plans to return with Mrs. Logan to Washington, D.C., to retire from both government service and private business. In Germany since December 1947, he was called to Japan last fall to advise General MacArthur's staff on methods of transferring responsibility in the foreign trade field to Japanese individuals and private enterprise.

JEIA, which has transferred the main body of its foreign trade responsibilities to the German federal government, is in the process of liquidation. The record of its accomplishments can be summed up by citing the 500 percent increase in western Germany's exports over the past two years. In 1947, the country's exports totaled only \$200,000,000, of which 70 percent was coal. In 1949, the export total had climbed to more than \$1,200,000,000,



Norma Jane Johnson, soprano soloist, and Peter Harrower, baritone, sing a duet with the Georgia Tech Glee Club, in Rhine/Main Air Base's Gateway Theater, to open a three-week series of concerts in Germany, Austria and Tripoli sponsored by Eucom Special Services. (US Army photo)

of which less than 30 percent was coal and in spite of the mark devaluation and its attendant effect upon exports.

2 Associate Justices Named

Two new associate justices were appointed to the Court of Appeals and one judge to the newly-created Court of Restitutions Appeals in the US court system in Germany, effective Jan. 1.

Judge H. Lloyd Ericsson and Judge Fred J. Cohn were named associate justices of the Court of Appeals, and Judge Peter J. Flanagan was appointed to the Court of Restitution Appeals. At present, Judge Ericsson is temporary special assistant to the General Counsel, HICOG; Judge Cohn is the chief presiding judge for Hesse in the US court system and Judge Flanagan is a member of the Board of Review.

In addition to serving as a member of the Court of Appeals, Judge Cohn has been designated president of the Court of Restitutions Appeals.

The court system, formerly known as the Military Government Courts for Germany, was redesignated as "United States Courts of the Allied High Commission for Germany" in a law signed by the US High Commissioner Dec. 28.

The present members of the Court of Appeals are Chief Justice William Clark, and Associate Justices Juan S. Sedillo, Carl W. Fulghum, Marc J. Robinson, Thomas H. Goodman and Justin W. Harding. A ninth associate justice is to be appointed.

Airlift Official Commended

William A. Fagan, chief of the Transportation Branch, HICOG, was awarded an official commendation certificate and medal Dec. 20 for exceptional performance of duty in connection with his work in the Berlin Air Lift. The presentation was made by Maj. Gen. George P. Hays, deputy US high commissioner for Germany.

According to the official citation, signed by Gordon Gray, Secretary of the Army, Mr. Fagan was commended for exceptional performance of duty as US chairman of the Berlin Airlift Coordinating Committee, Oct. 1948 to July 25, 1949. In this capacity he demonstrated exceptional ability in the performance of unusual and difficult tasks in organizing, coordinating and controlling the balanced flow of supplies by rail and road to the eight airfields serving Berlin, the citation read.

US Tenor Gives Recitals

Frederic Morton, an American tenor who gave his first European concert in Salzburg last year, is giving a series of recitals in the US Zone under the sponsorship of the Information Centers Branch of HICOG. Exact dates and locations of each of his concerts will be announced locally. The tentative schedule includes Jan. 30 to Feb. 17 in Bavaria; Feb. 20 to March 2 in Wuerttemberg-Baden, and March 3 to 19 in Berlin and Bremen. Mr. Morton's program includes songs by Haendel, Mozart, Schubert, Brahms, Debussy and Richard Strauss. He will also sing selections from Puccini, and will include songs by Samuel Barber and other Americans.



Bishop John Cody, Catholic religious leader of St. Louis, Mo., recently arrived in Hesse to make a study of religious and social resurgence in postwar Germany. Shown welcoming him are (left) Dr. James R. Newman, Land Commissioner, Hesse, and (right) Dr. George F. Donovan, religious affairs chief, OLC Hesse. (PRB OLCH photo)

Bishop Cody Tours Zone

Bishop John P. Cody of St. Louis, Mo., visited the US Zone to survey occupation activities in the fields of adult education, youth activities, religious seminaries and theology faculties. Bishop Cody visited more than 10 German cities and conferred with a number of HICOG religious officials and with Catholic cardinals and bishops. He was appointed to make the survey by the Catholic Bishops' Conference which met in Washington, D. C., last November.

ECA Mission Official Promoted

Martin M. Tank, deputy chief of the Program Division of the ECA Special Mission to Western Germany, became chief of the Northern Countries Section, Program Division, Office of Special Representative, ECA, Paris. In Germany since October 1947, he had served with the Economics Division, OMGUS, in Berlin, as economist and later chief of the Bizonal Delegation to the OEEC in Paris.

Autobahn Mishap Fatal

Virgil Larson of the staff of the Combined Travel Board in Stuttgart, was killed when the automobile in which he was riding crashed Dec. 14 into an unlighted German trailer parked on the highway near Herford.

Fifteen American newspaper editors who made a four-day tour of Germany are shown on their arrival at Rhine/Main Air Base Jan. 14. L-r, front row, they are Forrest W. Seymour, editorial writer, Des Moines Register and Tribune; John W. Love, associate editor, Cleveland Press; Wallis K. McArdle, associate editor, San Francisco Chronicle; Sevelon Brown III, associate editor, Providence Journal and Bulletin; Carroll Binder, editorial writer, Minneapolis Tribune; Michael Bradshaw, associate editor, Toledo Blade; M. H. William, executive editor, Worcester Telegram and Gazette; Edward H. Lindsay, editor, Decatur Herald; back row, John P. Harris, editor, Hutchinson News-Herald; Robert S. Bates, editor and publisher, Meadville Tribune-Republican; Alvand S. Dunkleberger, editor, Nashville Banner; G. Prescott Low, editor and publisher, Quincy Patriot-Ledger; C. B. Lartz, publisher, Sharon Herald; William P. McDowell, associate editor, Sharon Herald; and Samuel W. Miller, editor, Allentown Call and Chronicle. (Photo by Jacoby, PRD HICOG)

Two British occupation personnel, also riding in the same car, died later of injuries.

Mr. Larson had been with Military Government in Stuttgart since 1945 when, as a warrant officer, he served in the Officers' Personnel Section of OMG Wuertemberg-Baden. Later he worked for the OMGWB Reports and Statistical Division. At the time of the accident, he was on temporary duty with the CTB in Herford, British Zone.

Memorial services were held Dec. 28 in the Crossroads Service Club Chapel in Stuttgart with Chaplain W. H. Bergherm officiating. Assisting was the Rev. Dwight B. Horner, chief of the US Information Centers Section, OLC Wuertemberg-Baden.

First WAVE in EUCOM

EUCOM Headquarters in Heidelberg now has on its staff the first WAVE officer to be permanently assigned to the European Command. She is Lt. Renee Bachhuber of St. Louis, M., who has become administrative assistant to Capt. Harold N. Duryea, US Naval liaison officer. Her assignment to Germany follows seven years' service in Washington D. C.



Educator Returning to Wayne U.

Dr. Marion Edman has left Munich for the United States after serving three and a half years in Bavaria on the public education staff of the Office of Military Government and later the Office of State Commissioner. She will rejoin the faculty of Wayne University in Detroit, Mich., from which she has been on leave of absence.

The educator devoted much of her time in the development of young teachers' organizations and on-the-job training for educators. She also was credited with having laid the ground work for child psychology centers in Bavaria, and a new organization of elementary teacher education.

Ruth Felfe Going to Washington

A German OLC Hesse secretary left for the United States Jan. 4 to accept a job as secretary to the German ERP delegation in Washington, D. C. when Ruth Felfe, 37-year-old former secretary to the chief of the OLC Public Health and Public Welfare Branch, was selected for the position from among many applicants.



Industrial Expansion Aided

MORE THAN 725 western German industrial firms in 23 broad categories of industry are receiving direct benefits from the release of DM 312,000,000 (\$74,256,000) from ECA counterpart funds. Another DM 220,000,000 (\$52,360,000) is being released for power projects and DM 150,000,000 (\$35,700,000) for the coal mining industry. The electric power shortage has been a serious bottleneck to industrial expansion.

In approving the release of funds to industry, ECA industry officials gave first priority to those sectors of industry which are expected to do the most to stimulate western Germany recovery, expand its export potential and reduce import requirements. Unemployment conditions in depressed areas in western Germany were also given consideration.

Harold A. Taylor, chief of the Industry Division, ECA Special Mission to Germany, explained that the release of the counterpart funds enables the industrial firms to launch modernization and expansion programs through the added utilization of their own capital, which will put money into circulation in far greater amounts than the counterpart funds released. The utilization of counterpart funds is intended to augment capital rather than to furnish the entire amount of capital needed for rehabilitation. Thousands of orders should be placed as a result of the release of these funds.

OF THE 23 CATEGORIES of industry receiving counterpart funds assistance, the electrical engineering industries are receiving the largest portion in DM 60,500,000. These releases are closely related to the large reconstruction programs for electric power, mining and telecommunications. The funds will restore or provide production facilities for large generating equipment, mining machinery and similar electrical engineering products.

The next largest release of DM 46,400,000 into the mechanical engineering industries again assists in providing productive capacity for machine tools, textile machinery, agriculture tractors, mining and mining equipment which in turn are essential to the other sectors of industry.

The chemical industry was included to the amount of DM 42,900,000 and these investments are largely directed toward the restoration of capacity losses due to war damages and deferred maintenance of essential branches of basic chemicals. Investments in the fertilizer industry will assist in fulfilling the western Germany demand and permit greater export of potash. Consideration has also been given to technical improvements necessary to enable Germany to improve its position in foreign trade.

Allotments of DM 40,700,000 to the iron and steel industry are aimed at cutting production costs by improving the technical methods. The projects also include improvements in the field of ore mining as well as the production of castings and forgings.

THE OIL INDUSTRY allotment of DM 27,300,000 is aimed at providing cracking and other specialized equipments which will minimize imports of finished oil products.

The allotment of DM 22,200,000 to the textile and clothing industries contemplates modernization of spinning facilities with some additional capacity for production of worsted and woolen yarns as well as provision for hosiery production, which is presently inadequate.

The non-ferrous metals industry projects contemplate increasing the supply of lead and zinc ores in order to enable western Germany to reach self-sufficiency in those metals. Other projects involve correction of uneconomical production methods in the various non-ferrous metals fields.

The funds for building industry and woodworking industries are intended to more effectively utilize wood wastages and introduce new technical processes to provide products suitable for building construction and reduce higher building costs.

Sixteen other categories of industries with their ECA counterpart quotas are:

	DM
Distributive trades	500,000
Fine mechanics and optics	8,800,000
Gablonz (costume jewelry)	500,000
Glass and ceramics	2,200,000
Leather, shoes and furs	3,300,000
Manufactured metal products	4,450,000
Non-ferrous metals	9,500,000
Paper and printing	12,400,000
Rubber	2,400,000
Scientific research	50,000
Shipyards	2,600,000
Steel construction	2,200,000
Stones and earths	7,000,000
Tourist hotels	2,000,000
Vehicle industry	2,600,000
Woodworking	9,500,000

+ END

Occupation Lifts Airgun Ban

The manufacture, distribution and use of airguns will no longer be restricted by occupation authorities in Hesse. In a letter to the Hessian minister of economics, the authority for licensing of the manufacture and distribution of airguns was turned over to the Hessian Ministry of Economics.

The guns permitted under the new directive may not be propelled by gunpowder or chemicals, may not have a bore greater than 6 mm diameter, and must be smooth bored.

To date, airguns had been authorized only for use at fairs and carnivals, while from now on the only restriction in use will be imposed by the Hessian authorities.

Ruhr Power Reaches Bavaria

AT THE SLEEPY little farm village of Ludersheim, a few miles southwest of Nuremberg, a German engineer recently threw the switch to start the flow of electricity from generating plants in the Ruhr to power-starved factories in Bavaria. Current up to 220,000 volts is flowing over a 126-mile power line recently completed with the help of DM 27,000,000 in GARIOA counterpart funds.

GARIOA (Government and Relief in Occupied Areas) counterpart funds are the Deutsche mark equivalents of the dollar value of food and other supplies shipped into Germany by the United States. The Deutsche marks are accumulated as West German firms and individuals purchase such goods.

There was little ceremony to commemorate the occasion, but it was a memorable event nonetheless. Stretching from Kelsterbach, near Frankfurt, to Ludersheim, the new line links steam generating plants of the Ruhr coal area with hydroelectric plants in southern Bavaria. It is an important link in the German power grid system essential to the recovery and expansion of Germany's industry.

Eventually the line will become a vital link in an even more important power grid system which will provide several western European countries with an efficient and dependable supply of electric power. The western European power grid is a major project under study by the Office of European Economic Cooperation. The Kelsterbach-Ludersheim line supplements an overloaded 110,000-volt circuit which is inadequate for industrial use.

The additional power assures steady jobs for more than 50,000 workers in Bavarian factories and a higher production of export goods such as ceramics, porcelain, glassware, cameras, binoculars, toys, motorcycles and light metals. The ceramics industry in Bavaria alone employs more than 30,000 workers and the optical industry more than 12,000.

IN SUMMER, when the melting snow in the Alps keeps Bavarian hydroelectric power stations humming, surplus electricity flowing northward will help keep the coal mines and steel plants in the Ruhr operating at full time. Power for industrial use has been periodically rationed in both areas, a factor retarding industrial production and creating seasonal unemployment.

Prior to the war, Bavaria normally imported power from eastern Germany during the periods of drought and in winter when the hydroelectric output was low. The failure of the Russians to live up to power-import agreements in the postwar occupation period has frequently forced shutdowns by industries in the US Zone. Production losses were felt most keenly in light metals, ceramics, fertilizers and the optical industries of southern Bavaria.

The contemplated extension of the Kelsterbach-Ludersheim line from Aschaffenburg to Berken, near Hanover,

in the British Zone, would connect the thermal power plants of the central German brown coal fields with both Ruhr and Bavarian power sources. This projected 80-mile link, when completed, will be another step toward providing the Federal Republic of Germany with an electrical grid system adequate to the needs of its industry, according to ECA power experts. + END

ECA Funds to Rehabilitate German Railroads, Ports, Mines

Approximately DM 151,000,000 (\$45,938,000) accumulated in western Germany through the sale of Marshall Plan goods, have been put to work to rehabilitate the German Federal Railroads, construct port facilities, modernize coal mines and generally promote recovery projects.

A report on Local Currency Counterpart Funds for all Marshall Plan countries prepared by the Economic Cooperation Administration shows that the equivalent of \$3,090,000,000 of this Marshall Plan "stay home" pay has been approved for withdrawal, and \$2,796,500,000 already has been put to use in these countries.

The counterpart funds which are held in the accounts of participating countries are ECA's device to make Marshall Plan dollar grants work twice for European recovery — once by providing industry and agriculture with needed goods and services purchases directly with the dollars, and once again by promoting production employment and monetary stability through use of local currencies put up to match the dollar grants.

More than half of the counterpart funds are earmarked for stimulating production — mainspring in the ERP effort to achieve an independent European economy.

The first release of Marshall Plan counterpart funds for Germany was made last September. For railroads, public utilities and reconstruction projects in the port of Ludwigshafen, DM 57,000,000 has been earmarked from the counterpart funds of the French Zone. Of this sum, DM 40,000,000 will go to the railroad system for capital investment; DM 14,000,000 for electric power projects; DM 1,000,000 for gas main improvements, and DM 2,000,000 for the rebuilding of the port of Ludwigshafen.

Additional releases covered some DM 50,000,000 for the Ruhr coal mines, made available through the Reconstruction Loan Corporation and DM 44,000,000 for the *Kraftwerk West*, the BEWAG power plant in western Berlin. The Berlin power plant, completely dismantled by the Russians at the beginning of the occupation, was reopened on Dec. 1. + END

German Editorials

This section is compiled from a summary prepared by the Press & Publications Branch, Information Services Division, HICOG, of editorials in the German press.

The publishing of these German editorials is intended to inform the American readers of what the Germans are writing and thinking, without interpretation. The inclusion of any statement from the German press does not give concurrence to the view or opinion.

YEAR END AND NEW YEAR comments in the German press covered an unusually wide range of subjects with the views expressed ranging from conservative and constructive comment to diametrically opposite criticism that was both caustic and bitter.

The US-West German ECA pact was welcomed, its favorable effect from an international legal aspect stressed. However, there was no lack of voices to warn that the best that should be hoped for is a modest living standard such as corresponds with Germany's poverty and the effects of a lost war.

The practically unanimous rejection by all parties in the federal assembly of rearmament proposals was roundly applauded as thoroughly representative of German feeling on the subject. Germany's only chance, and only present task, lies in plumping for peace, it was maintained.

The press was frankly surprised over the unexpectedly severe sentence in the Manstein case, the general opinion being that such draconic judgment would have seemed more justified in 1946. The accreditation of 12 foreign mission chiefs by the Allied High Commission occasioned sober warnings on premature optimism as this accreditation was held to show the Federal Republic to be still far from sovereign.

Resignation of State Department's policy-planner George Kennan was considered an event of prime importance. The new High Commission law against militarism and nationalism received a very unfavorable press

as indicating the Occupation Powers thus have again taken over full control of German internal political developments. Mao Tse-tung's Moscow visit was assigned great world political significance, Stalin's 70th birthday was accorded widespread publicity and restrained comment, and there were uneasy fears voiced regarding a new Berlin blockade.

The Cold War

Die Zeit (Hamburg, Dec. 29) writes pessimistically on European disharmony and says that 1950 must bring a drastic change if Europe is to be saved:

"...The struggle to establish European union makes little progress. It suffocates in endless talk. Instead of putting forth constructive suggestions the only agreement seems to be on the rejection of American proposals. Distrust and greed rule the day... It seems as if only the churches have fully realized the deeper significance of the present struggle. The Holy See's excommunication decree against the materialistic, anti-Christian Communist doctrine has done more to bring whatever success we have attained in the cold war than any measure of the European governments..."

"This state of affairs must be overcome if the Western resistance is to lead to success and it must come this year... If this means the United States must exert pressure, then let us have it by all means. The cold war is still undecided, but if the West brings to bear the requisite patience, magnanimity and firmness, it may easily

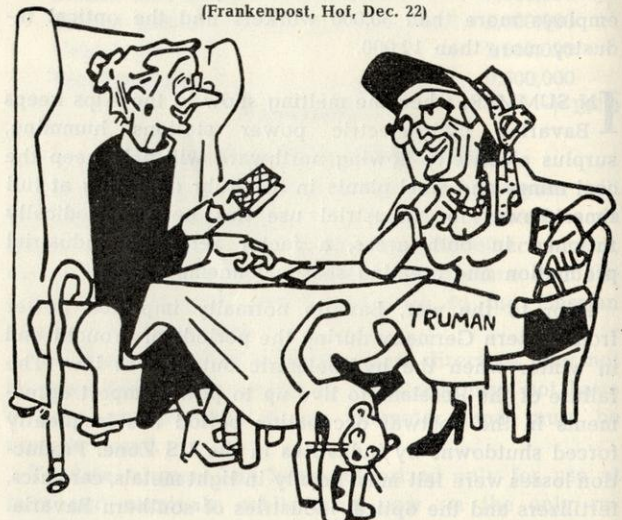
German Opinion in Cartoons

(Badische Neueste Nachrichten, Karlsruhe, Dec. 20)

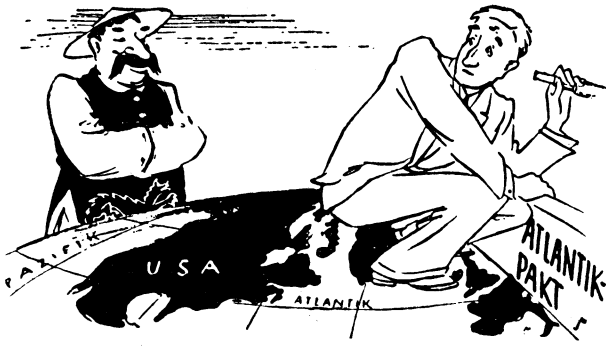


Stalin
"Seventy years old and I can't veto it."

(Frankenpost, Hof, Dec. 22)



The Fortune-Teller: "You'll soon meet a nice dark man with a big black mustache."



„Hier bin ich, Herr Nachbar . . .!“
Here I am, neighbor!

come to pass that we can quote Stalin in reverse: 'Attack the Soviet Union? Why? The Soviet Union will destroy itself.'

Germany's World View

Echo der Woche (Munich, Dec. 30) says Germany is prepared to sacrifice sovereignty to achieve a united Europe and sees hope in American initiative in this direction:

„... The German people suffered and lost more through war and totalitarianism than any other people. For this reason, it has, perhaps more than any other people, overcome such tendencies. More so than many of those who sit in smug judgment upon us . . .

“Germany is prepared to voluntarily and permanently renounce a certain amount of sovereignty in the interests of peace, provided that brings equal rights in any supra-national state that results . . . Curiously enough, it is America which is the foremost proponent of such a development, and in this laudable purpose it must constantly contend with European inhibitions and petty jealousies. At times it seems as if ERP Administrator Hoffman is bent on going down in history as the 'Father of Europe.'”

New Year 1950

Die Zeit (Hamburg, Dec. 22) muses on developments in 1949 and finds that while Germany has gained materially during the past year it has lost ground in the spiritual sense:

“... There are any number of spiritual analyses which show us how much we have gained . . . Of course, it is a borrowed prosperity, not one that we have ourselves worked out and earned . . . and it would be well if we were somewhat less exuberant and self-satisfied about it and a little more grateful instead.

“At any rate, we are not out of the woods yet. Furthermore let us remember that man does not live by bread alone. Unfortunately there are no statistics to show us how much better or worse we have become spiritually in recent years . . . In the latter respect we were all better humans at the time that we all were badly off. Now that things have improved a large section of our population has forgotten those of us whose economic situation has improved little or not at all . . .

“In the callous pursuit of our own security — which, by the way, the modern world can no longer offer — we forget that a reconstruction of our hearts is just as necessary as that of our cities . . . We are climbing materially and sinking spiritually. That is our Christmas balance sheet.”

The Marshall Plan

Deutsche Kommentare (Heidelberg, Dec. 19) stresses the political importance of the US-German ERP pact:

“Thus the American government, for the first time, makes a direct contract with the German Federal Republic . . . Thus a precedent is created . . . which may be construed as *de facto* recognition of German sovereignty . . . We may regard it as a significant step on the road to a formal ending of the state of war . . . Chancellor Adenauer is to be congratulated . . .

“Some countries receive Marshall Plan help as an outright gift . . . We are not as yet in that category . . . It would not be practicable because, as we are told, the American taxpayer would object for 'political reasons.' Under the circumstances this need not particularly worry us.”

PWs and Pastor Niemoller

The **Frankfurter Neue Presse** (Frankfurt, Dec. 28), in an editorial by Walter Dircks, describes the Western Powers, to whom Dr. Adenauer addressed his appeal in favor of prisoners of war still detained in Russia, as “well-meaning but powerless due to the difficult situation which has prevailed between the Allies since the Yalta and Potsdam agreements.

“Most Germans,” said Dircks, “are apt to forget that this terrible embarrassment is the work of Hitler and his mad invasion of Russia in 1940. Stalin detains our PW's, Truman cannot deliver them, Hitler sent them there — that is about the gist of the matter.

“To the group of people afflicted with loss of memory belongs Pastor Martin Niemoller, the gallant and like-



Michel: „ . . . Rasieren, bitte!“

Karikatur: Helmut Beyer

Five years and still no peace:
German Michel: “I'd like a shave, please!”



DEUTSCHE GLEICHBERECHTIGUNG

„Gefällt's Dir etwa immer noch nicht an unserem Verhandlungstisch?“

German Equality.

“What's the matter? Still not satisfied with our round table conference?”

able fighter with the gift of saying things which sometimes are right and sometimes are wrong at the wrong time and in the wrong place.”

Sending Niemoller about his business regarding the question of German unity (Niemoller had declared that Germany preferred to be united, even under Russian rule, than to remain divided), Dircks condemns Niemoller's statement that “the Federal Republic was conceived in Rome and born in Washington” adding “it may be that the Americans are supporting Adenauer's government in Bonn a shade more warmly than they might have supported a Schumacher government in Frankfurt, not because the latter would have been less ‘Catholic,’ but because it would have been more alien to their economic and social ideas basically.

“Nevertheless, the Americans would have furthered any government provided that it was formed on a democratic basis because... they have realized that only a sphere of European prosperity can put a stop to the avalanche from the East and that Germany is an essential part of that sphere...

“We may criticize, but with sobriety and loyalty and not in misinterpretation of realities so fateful in our German politics.” On the other hand, says Dircks, Nie-

(Hannoversche Presse, Hanover, Br. Zone)



Adenauer Bonn-apart.

moller's aggressive *bon mot* reflects German public opinion inasmuch as the federal government's policy is centered too much on North Rhine/Westphalia and the Ruhr, and advises the men in Bonn not to neglect the refugee and housing problems.

Rearmament

Die Gegenwart (Freiburg, Baden, Dec. 15) declares that Germany needs civil qualities, rather than military ones:

“Recently the London *Times* described the German masses as politically inexperienced, emotionally unstable, traditionally nationalistic and ignorant of democracy... France, for example, agrees with the *Times* and therefore does not want Germany rearmed: we disagree with the *Times* but reach the same conclusion as the French. We too oppose a rearmed Germany.

“The issues pending between the Soviet Union and the United States cannot be decided by a German civil war... The Soviets will be disappointed if they think that such a civil war — ‘European contingent’ against the so-called ‘People's Police’ (*Volkspolizei*) — would turn out to their advantage. The West Powers will be equally disappointed if they believe they can ‘send the Germans to the front.’

“The powers that be in this country have in the past done little to instill civil qualities in our population... It's about time that we have a change... Our contribution towards combatting Soviet ideology had better consist in the creation of a new state, with clear principles of justice, help for the economically weak and respect for the freedom of the individual. That should be the German policy; it could contribute much to the promotion of peace. And what we least need for such a purpose are soldiers.”

“Dismantling the Rhine”

Der Spiegel (Hanover, Dec. 22) takes violent exception to the proposed construction by France of the Grand Canal d'Alsace:

“... It will be a subsidiary canal beginning a few miles north of Basel and will reach to Strasbourg. It is intended to use the water of our Rhine to activate eight

(Rhein-Neckar Zeitung, Heidelberg, Dec. 16)



The Rabbit to the Boar:
“Remilitarization, hooley — the game warden hasn't even got a gun.”



*Rot-China wird anerkannt
Britain recognizes Red China.*

large power plants with a yearly capacity of 800,000,000 kilowatt hours each, thus making the Compagnie Electricite de France the most powerful in Europe...

"It will reduce the water level of the Upper Rhine to such an extent that navigation is impossible and will destroy the fertility of our fields... In other words, the Upper Rhine will no longer be Germany's border but France's river!"

Amnesty

Echo der Woche (Munich, Dec. 18) says a political amnesty is necessary to establish the Occupation Powers as a protective rather than a controlling force in the eyes of the German people:

"... It has been officially estimated that approximately 80,000 persons (in Germany today) live under false names for political reasons... This means, in effect, that the state necessarily creates an underground and resistance movement against itself... Most of the people concerned are not criminal by nature and could be won through an amnesty for useful and constructive work..."

"Such a gesture of forgiveness and reconciliation would serve to confirm the idea that the Occupation is a wise and intelligent form of protection against totalitarianism in all its forms."

No More Hate

Europa Kurier (Aachen, NR/W., Dec. 16) belabors Hans Habe* for criticizing the view that Nazis are winning positions of influence in today's Germany:

"... Thus there begins a cold war against the Nazis... They are to be released from prison but excluded from jobs... Herr Habe's mentality is dangerous — it endangers democracy — the Hitler in us and Herr Habe..."

"We are told that the Germans are to be democratically educated to renounce their prejudice against the Jews... How is this to be if prejudice is displayed by the Jews and returned emigrants like Habe them-

* Hans Habe, who headed ISD's operations of the overt US Army German-language newspapers immediately after the war and was founder of the US-published "Die Neue Zeitung," recently returned to Germany as a correspondent and publisher of a new magazine.

selves? Do those who are themselves intolerant want to teach us tolerance?

"Herr Habe overlooks the fact that there is no more room for hate in German hearts... We don't want a cold war, even against Nazis. Perhaps the feeling in Washington and Moscow is different..."

"This to Herr Habe from a Dresdener who survived the Allied bombing of that city, as well as denazification."

Compensation

The **Tagesspiegel** (US-licensed, Berlin, Jan. 10) demands that democratic ideas be spread in eastern Germany as freely as Communists are permitted to operate in the western zones. Stressing that despite various democratic slogans circulated in the Soviet Zone democratic views were not allowed in practice, the paper points to the difference between East Germany, where democrats are exposed to prohibitions, terror and concentration camps, and West Germany, where Communist leader Max Reimann is granted freedom of speech.

In the west zones, government officials intervene in favor of Communist editors reprimanded by the British authorities and police protection is accorded meetings held to praise the Soviet Union.

Schuman's Visit

The **Mannheimer Morgen** (Mannheim, W/B, Jan. 12), commenting on French Foreign Minister Schuman's visit to Germany, said, "... It is not coincidence that Mr. Schuman has chosen to visit us at this moment when the question of Saar autonomy is up for discussion.

"We know what kind of autonomy is meant... but do we want to endanger European unity over such questions?... The French demand sacrifices from us in order to prove our good faith... Let us therefore regard the Saar as a dowry for the marriage between Marianne and Michel (France and Germany)... May we Germans show the proper political instinct for once."

(Hamburger Echo, Hamburg, Jan. 7)



*In Mao Tse Tungs Garkueche
The Mao Tse-tung Cuisine!*

*John Bull: "Somewhat spicy—don't you want to try it?"
Uncle Sam: "No, thanks—I first want to see how it agrees with you."*



The Three Kings and the Star
"That can't be the right one!"

Peace Treaty

The **Rhein-Neckar-Zeitung** (Heidelberg, Jan. 12) expresses the view that the intention of the three Western Occupation Powers to end the formal state of war with Germany by means of a tripartite declaration constitutes one of the most important foreign political proposals affecting Germany since the days of Potsdam.

Inasmuch as it has been impossible to form an all-German government capable of conducting its affairs and in view of the fact that a general peace treaty establishing the rights and obligations of both sides has not been realized, the ending of the formal state of war would serve for all practical purposes as a peace treaty.

Although details of the developments in this direction are not known it appears from the reports thus far circulated that this will be another Allied agreement of the arbitrary unilateral type under which Germany is left the opportunity to earn a position of equality in time. It would seem therefore that the agreement should include a clause establishing the basis upon which Germany can hope to assert its own rights. The problem is one of transforming an arbitrary unilateral agreement (dictate) into a bilateral settlement.

A practical peace treaty entered into between the federal government in Bonn and the Western Powers would hardly serve the purpose of peace and would only increase the tension between East and West. The policy of the Bonn government therefore should be based on the ultimate requirements of a unified Germany.

The proposed declaration of the Western Powers would not compromise this development, however. On the contrary, it would increase the integrity and prestige of the federal government both from standpoint of the East and West. So far as the



Russia to Finland
"Just looking for my War Criminals."

Occupation troops' remaining in Germany is concerned, this development need not be considered an anachronism after the end of the state of war or even in the event of a peace treaty.

What is important is the role and influence retained by these powers. The Occupation Statute, on the other hand, would require revision to be brought into harmony with the situation arising after the state of war has been ended.

Signs of Alarm

The **Sueddeutsche Zeitung** (Munich, Jan. 12) blames the federal government for neglecting unemployment. The paper thinks it a shame that Allied officials have had to draw public attention to the alarming figures of increasing unemployment and that they themselves contemplate measures to meet the situation. Federal Labor Minister Storch's prophecy that this winter will bring no increase in unemployment has not come true.

Some people again will accuse the Allies of meddling with German affairs because they had said that even countries with a free economy work out plans against unemployment. The United States, at least, as the Bonn

ministers should know, have their work procurement programs ready on the desks to put them into action when the necessity arises. The German government has worked out nothing theoretical declarations.

"It is now time," summed up the paper, for the federal government to understand that a slow start with their buildings programs will not help unemployment. The ministers would do better to spend less time traveling and talking."

Colonialism

Echo der Woche (Munich, Dec. 30) compares Britain unfavorably to Holland in its attitude to colonial as well as European problems:

"...When Queen Juliana recognized Indonesian independence recently... she drew a line under a

(Sueddeutsche Zeitung, Munich, Jan. 9)



Welthandlungsreisender England
Britain to Red China
"Buy your supplies from me and get a beautiful recognition certificate."

chapter of not only Dutch, but European colonial history... Thus Holland proves that she alone of the former colonial powers has a realistic sense of perspective. This is shown too by her initiative in the building of European economic union.

"It would be desirable if England which is the stumbling block to such union, could also be persuaded to new orientation. But this can hardly be expected as long as Mr. Bevin remains in office. This British minister ... is completely devoid of far-sightedness and vision. How otherwise could he pick Christmas Eve to issue new dismantling orders?...

"British colonial policy has led directly from the Opium War to Mao Tse-tung. Let's pray that Mr. Bevin will resign before a line leads from dismantling to a Communist-unified Germany."

"Un-American American"

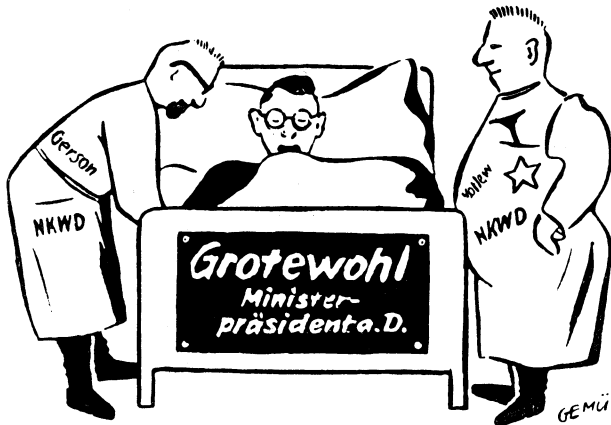
Deutsche Kommentare (Heidelberg, Dec. 19), under the title "What the Americans Are Told about Us," continues its bitter attacks on Frank Wolfe's* series of articles on Germany in the Paris edition of the *New York Herald-Tribune*:

"...In a new instalment Wolfe Frank deals with the breakdown of sexual morality in Germany. He is a bachelor and, not without a certain satisfaction, he indicates how difficult it is for a bachelor traveling through Germany to resist the siren calls of our German women and girls, especially as one must pay. He writes not of the *Veronika Dankeschoens* ("Veronica Thank-yous") but of the bulk of our womanhood, which he says is 90 percent venal! The only difference is the price...

"With the lack of men in Germany, Mr. Frank describes a bachelor's paradise... He says the French Zone is the best managed in Germany. Why? Because the French treat us with 'cold politeness and extreme firmness.' Britons and Americans sometimes sit down to a

* Mr. Frank, who was born in Germany, is a naturalized British subject.

(Braunschweiger Zeitung, Brunswick, Dec. 20)



Diagnose: „Mangel an roten Blutkoerperchen“
East Zone Doctors: "Not enough red corpuscles."



IN KRIEGSGEFANGENSCHAFT

„Hoffentlich entlaesst man uns bald, sonst kommen wir noch zu spaet zur Musterung!“

PWs

"Hope they release us soon, or we'll be too late to be mustered in."

meal with 'good' Germans, which the French would never dream of doing... Such is the sort of thing dished out to the Americans by this un-American globe-trotter!..."

High Prices

Die Oeffentliche Meinung (Stuttgart, Dec. 27), a new weekly, calls on consumers to resist exorbitant prices: "...It should be the duty of the press to systematically pillory and expose the excessively high prices prevalent in West Germany... The trades union leadership has a curiously lukewarm attitude in this matter... Nothing can be hoped for from the government in this respect because, despite its social-minded front, it is in reality traditionally capitalistic in its outlook..."

"In this it is supported by the authoritative American circles in Germany which cast a jaundiced eye on the smouldering social-mindedness of the German people, and still do not realize that democracy in the American sense is possible only in a country which enjoys general prosperity..."

"The only way that prices can be brought down is through a buyers' strike or if enough energetic politicians take up the cudgels."

Films

This Stuttgart weekly, whose contents consist almost entirely of contributions by readers, also attacks the quality of present day American and German films:

"...The crowds that turn out when an old German film is shown is proof that such pictures are far superior to the junk that we get to see nowadays. Mostly they are silly *Ami* (slang for American) films, just about good enough for Negroes or Wild West characters, but not for us Germans... The same applies to the new German productions."

+ END

Official Notices

Texts of ECA Agreement and Documents

1. Economic Cooperation Agreement between the United States of America and the Federal Republic of Germany.

Preamble

The Government of the United States of America and

The Government of the Federal Republic of Germany:

Recognizing that the restoration or maintenance in European countries of principles of individual liberty, free institutions and genuine independence rests largely upon the establishment of sound economic conditions, stable international economic relationships and the achievement by the countries of Europe of a healthy economy independent of extraordinary outside assistance,

Recognizing that a strong and prosperous European economy is essential for the attainment of the purposes of the United Nations,

Considering that the achievement of such conditions calls for a European recovery plan of self-help and mutual cooperation, open to all nations which cooperate in such a plan, based upon a strong production effort, the expansion of foreign trade, the creation or maintenance of internal financial stability and the development of economic cooperation, including all possible steps to establish and maintain valid rates of exchange and to reduce trade barriers,

Considering that in furtherance of these principles the Government of the Federal Republic of Germany has become a member of the Organization for European Economic Cooperation, created pursuant to the provisions of a Convention for European Economic Cooperation signed at Paris on April 16, 1948, under which the signatories of that convention agreed to undertake as their immediate task the elaboration and execution of a joint recovery program,

Considering also that, in furtherance of these principles, the Government of the United States of America has enacted the Economic Cooperation Act of 1948 as amended providing for the furnishing of assistance by the United States of America to nations participating in a joint program for European recovery, in order to enable such nations through their own individual and concerted efforts to become independent of extraordinary outside economic assistance,

Desiring to set forth the understandings which govern the furnishing of assistance by the government of the United States of America, the receipt of such assistance by the Federal Republic of Germany, and the measures which the two governments will take individually and together in furthering the recovery of the Federal Republic as an integral part of the joint program for European recovery;

Have agreed as follows:

Article I

(Assistance and Cooperation)

1. The Government of the United States of America undertakes to assist the Federal Republic of Germany by making available to

Texts of the bilateral agreement between the United States and the Federal Republic of Germany, and side documents signed in Bonn on Dec. 16 were provided by the Council of Foreign Ministers and the Research Branch, Foreign Relations Division, Office of Political Affairs, HICOG. These texts are of:

1. Economic Cooperation Agreement between the United States of America and the Federal Republic of Germany.

2. Agreement between the United States and United Kingdom High Commissioners for Germany and the Federal Republic of Germany—ECA Accounts.

3. Agreement between the French High Commissioner for Germany and the Federal Republic of Germany—ECA Accounts.

4. Agreement between the United States and United Kingdom High Commissioners for Germany and the Federal Republic of Germany—GARIOA Accounts.

5. Letter from the US High Commissioner for Germany to the Chancellor of the Federal Republic of Germany.

6. Letter from the special representative of the Economic Cooperation Administration for Germany to the Chancellor of the Federal Republic of Germany.

the Government of the Federal Republic or to any person, agency or organization designated by the latter government, aid under the terms, conditions and termination provisions of the Economic Cooperation Act of 1948, acts amendatory and supplementary thereto and appropriation acts thereunder. Such aid will be provided upon the approval by the Government of the United States of America of requests made by the Government of the Federal Republic and will consist of only such commodities, services and other assistance as are authorized to be made available by the above acts. The Government of the United States of America undertakes further to extend assistance to the Federal Republic under applicable provisions of Appropriation Acts for the Government and Relief of Occupied Areas.

2. The Government of the Federal Republic of Germany, acting individually and through the Organization for European Economic Cooperation, consistently with the Convention for European Economic Cooperation signed at Paris on April 16, 1948, will exert sustained efforts in common with other participating countries speedily to achieve through a joint recovery program economic conditions in Europe essential to lasting peace and prosperity and to enable the countries of Europe participating in such a joint recovery program to become independent of extraordinary outside economic assistance within the period of this agreement. The Government of the Federal Republic affirms its intention to take action to carry out the provisions of the general obligations of the Convention for European Economic Cooperation, to continue to participate actively in the work of the Organization for European Economic Cooperation, and to continue to adhere to the purposes and policies of the Economic Cooperation Act of 1948 as amended.

3. All assistance except conditional aid furnished by the Government of the United

States of America to the Federal Republic of Germany pursuant to this agreement shall constitute a claim against Germany. To the extent that expenditures are made from the ERP Special Account established under Article IV of this agreement for the purposes set forth in paragraphs 3 and 4 of that article and for purposes not of direct benefit to the German economy or the German people, such claim against Germany shall be reduced in an amount commensurate with such expenditures. To the extent that expenditures are made from the GARIOA Special Account established under Article V of this agreement, credit will be given, at the time of final settlement of the claim of the United States of America against Germany, for any amounts expended for purposes which are then determined not to have been for the benefit of the German economy or the German people. The proceeds of exports from all future production and stocks of the Federal Republic will be available for payment for assistance made available pursuant to this agreement. At the earliest practicable time consistent with the rebuilding of the economy of the Federal Republic on healthy, peaceful lines, such proceeds shall be applied for such payment on a basis not less favorable to the United States than that accorded the United States or the United Kingdom for costs incurred pursuant to the memorandum of agreement between the United States and the United Kingdom dated Dec. 2, 1946, as revised and supplemented, relating to the economic integration of the United States and United Kingdom Zones of Germany.

4. With respect to assistance furnished by the Government of the United States of America to the Federal Republic of Germany and procured from areas outside the United States of America, its territories and possessions, the government of the Federal Republic will cooperate with the Government of the United States of America in ensuring that procurement will be effected at reasonable prices and on reasonable terms and so as to arrange that the dollars thereby made available to the country from which the assistance is procured are used in a manner consistent with any arrangements made by the Government of the United States of America with such country.

Article II

(General Undertakings)

1. In order to achieve the maximum recovery through the employment of assistance received from the Government of the United States of America, the Government of the Federal Republic of Germany will use its best endeavors:

a. To adopt or maintain the measures necessary to ensure efficient and practical use of all the resources available to it, including

(1) such measures as may be necessary to ensure that the commodities and services obtained with assistance furnished under this agreement are used for purposes consistent with this agreement and, as far as practicable, with the general purposes outlined in the schedules furnished by the Government of the Federal Republic in support of the requirements of assistance to be furnished by the Government of the United States of America; and

(2) the observation and review of the use of such resources through an effective follow-up system approved by the Organization for European Economic Cooperation;

b. To promote the development of industrial and agricultural production on a sound economic basis to achieve such production targets as may be established through the Organization for European Economic Cooperation and when desired by the Government of the United States of America to communicate to that

government detailed proposals for specific projects contemplated by the Government of the Federal Republic to be undertaken in substantial part with assistance made available pursuant to this agreement, including whenever practicable projects for increased production of coal, transportation facilities and food;

c. To stabilize its currency, establish or maintain a valid rate of exchange, balance its governmental budgets as soon as practicable, create or maintain internal financial stability, and generally restore or maintain confidence in its monetary system; and

d. To cooperate with other participating countries in facilitating and stimulating an increasing interchange of goods and services among the participating countries and with other countries and in reducing public and private barriers to trade among themselves and with other countries.

2. Taking into account Article VIII of the Convention for European Economic Cooperation looking toward the full and effective use of manpower available in the participating countries, the Government of the Federal Republic of Germany will accord sympathetic consideration to proposals, including proposals made in conjunction with the International Refugee Organization, directed to the largest practicable utilization of manpower available in any of the participating countries in furtherance of the accomplishment of the purposes of this agreement.

3. The Government of the Federal Republic of Germany will take appropriate measures and will cooperate with other participating countries, to prevent, on the part of private or public commercial enterprises, business practices or business arrangements effecting international trade which restrain competition, limit access to markets or foster monopolistic control whenever such practices or arrangements have the effect of interfering with the achievement of the joint program of European recovery.

Article III

(Guaranties)

1. To the extent that foreign private investment is permitted in the Federal Republic of Germany, the Governments of the United States of America, and the Federal Republic will, upon the request of either Government, consult respecting projects in the Federal Republic proposed by nationals of the United States of America and with regard to which the Government of the United States of America may appropriately make guaranties of currency transfer under Section 111 (b) (3) of the Economic Cooperation Act of 1948 as amended.

2. The Government of the Federal Republic of Germany agrees that if the Government of the United States of America makes payment in United States dollars to any person under such a guaranty, any Deutsche marks, or credits in Deutsche marks, assigned or transferred to the Government of the United States of America pursuant to that section shall be recognized as property of the Government of the United States of America, and the Government of the United States will accordingly be subrogated to any right, title, claim or cause of action existing in connection with such Deutsche marks or credits in Deutsche marks.

Article IV

(ERP Special Account)

1. The provisions of this article shall apply with respect to all assistance which may be furnished by the Government of the United States of America under the authority of the Economic Cooperation Act of 1948, as amended, other than as conditional aid or guaranties.

2. The Government of the Federal Republic of Germany will establish a special account

(hereinafter called the ERP Special Account) in the Bank Deutscher Laender in the name of the Government of the Federal Republic and will make deposits in Deutsche marks to this account as follows:

a. The balance at the close of business on the effective date of this agreement in the special account established in the Bank Deutscher Laender in the name of the Military Governors pursuant to the agreement between the Government of the United States of America and the United States and United Kingdom Military Governors in Germany, acting on behalf of the United States and United Kingdom Occupied Areas in Germany, made on July 14, 1948;

b. The balance at the close of business on the effective date of this agreement in the special account, now established in the Bank Deutscher Laender in the name of the French Commander-in-Chief pursuant to the agreement between the Government of the United States of America and the French Commander-in-Chief in Germany, acting on behalf of the French Zone of Occupation of Germany, made on July 9, 1948;

c. All amounts required to be deposited in the accounts referred to in paragraphs a. and b. of this section, after the effective date of this agreement, in fulfillment of obligations assumed by the Government of the Federal Republic under Article XII of this agreement; and

d. Amounts in Deutsche marks commensurate with the indicated dollar cost to the Government of the United States of America of commodities, services, and technical information (including any costs of processing, storing, transporting, repairing, or other services, incident thereto) made available after the effective date of this agreement, to the Federal Republic of Germany in the form of assistance under the Economic Cooperation Act of 1948, as amended other than as conditional aid or guaranties. The Government of the United States of America shall from time to time notify the Government of the Federal Republic of the indicated dollar costs of any such commodities, services, and technical information, and the amounts in Deutsche marks commensurate with such indicated dollar costs shall be determined in the following manner: Pending the establishment of an official effective commercial rate of exchange between the dollar and the Deutsche mark the Government of the Federal Republic will, upon receipt of such notification, deposit in the ERP Special Account amounts of Deutsche marks as agreed upon between the Government of the United States and the Government of the Federal Republic. These amounts will be computed at the current official conversion factor, unless otherwise agreed upon by the competent authorities. Deposits in the ERP Special Account made, upon notification by the Government of the United States, after an official effective commercial rate of exchange has been established, will be amounts of Deutsche marks computed at said rate.

3. The Government of the United States of America will from time to time notify the Government of the Federal Republic of Germany of its requirements for administrative expenditures in Deutsche marks within the Federal Republic incident to operations under the Economic Cooperation Act of 1948 as amended, and the Government of the Federal Republic will thereupon make such sums available out of any balances in the ERP Special Account in the manner requested by the Government of the United States of America in the notification.

4. Five percent of each deposit made pursuant to this article shall be allocated to the use of the Government of the United States of America for its expenditures in the Federal Republic of Germany, including expenditures for procuring and stimulating increased production of materials which are required by the United

States as a result of deficiencies or potential deficiencies in its own resources, and sums made available pursuant to paragraph 3 of this article shall first be charged to the amounts allocated under this paragraph.

5. The Government of the Federal Republic of Germany will further make such sums of Deutsche marks available out of any balances in the ERP Special Account as may be required to cover costs (including port, storage, handling, and similar charges) of transportation from any point of entry in the Federal Republic to the consignee's designated point of delivery in the Federal Republic of such relief supplies and packages as are referred to in Article VIII.

6. The Government of the Federal Republic of Germany may draw upon any remaining balance in the ERP Special Account for such purposes as may be agreed from time to time with the Government of the United States of America. In considering the proposals put forward by the Government of the Federal Republic for drawings from the ERP Special Account, the Government of the United States of America will take into account the need for promoting or maintaining internal monetary and financial stabilization in the Federal Republic, including in particular:

a. Expenditures upon projects or programs, including those which are part of a comprehensive program for the development of the productive capacity of the Federal Republic and the other participating countries, and projects or programs the external costs of which are being covered by assistance rendered by the Government of the United States of America under the Economic Cooperation Act of 1948 as amended, or otherwise, or by loans from the International Bank for Reconstruction and Development;

b. Expenditures upon the exploration for and development of additional production of materials which may be required in the United States of America because of deficiencies or potential deficiencies in the resources of the United States of America; and

c. Effective retirement of the public debt, especially debt held by the Bank Deutscher Laender or other banking institutions.

7. Any unencumbered balance, other than unexpended amounts allocated under paragraph 4 of this article, remaining in the ERP Special Account on June 30, 1952, shall be disposed of within the Federal Republic of Germany for such purposes as may hereafter be agreed between the Governments of the United States of America and the Federal Republic, it being understood that the agreement of the United States of America shall be subject to approval by act or joint resolution of the Congress of the United States of America.

Article V

(GARIOA Special Account)

1. The provisions of this article shall apply with respect to all assistance which may be furnished by the Government of the United States of America under the authority of the applicable provisions of Appropriation Acts for the Government and Relief of Occupied Areas.

2. The Government of the Federal Republic of Germany will establish a special account (hereinafter called the GARIOA Special Account) in the Bank Deutscher Laender (Bank of German States) in the name of the Government of the Federal Republic and will make deposits in Deutsche mark (German currency) to this account as follows:

a. Any balance at the close of business on the effective date of this agreement in the special account in the Bank Deutscher Laender entitled "Proceeds of GARIOA Imports Sub-Account" of "Military Governors for Ger-

many (US/UK) Proceeds from Deferred Payments Import Account."

b. All amounts due for deposit as of the effective date of this agreement, or which may become due after such date, in fulfillment of the obligations assumed by the Government of the Federal Republic under Article 133 of the Basic Law for the Federal Republic, insofar as such obligations are related to arrangements for the provision of assistance to Germany authorized under applicable provisions of Appropriation Acts for the Government and Relief of Occupied Areas; and

c. Amounts in Deutsche mark commensurate with the indicated dollar cost to the Government of the United States of commodities and services (including any costs of processing, storing, transporting, repairing or other services incident thereto) made available after the effective date of this agreement, to the Federal Republic of Germany under the authority of applicable provisions of Appropriation Acts for the Government and Relief of Occupied Areas. The Government of the United States of America shall from time to time notify the Government of the Federal Republic of the indicated dollar costs of any such commodities and services, and the amounts in Deutsche mark commensurate with such indicated dollar costs shall be determined in the manner set forth in Article IV (2) (d).

3. The Government of the United States of America will from time to time notify the Government of the Federal Republic of Germany of expenditures in Deutsche mark to be paid from the GARIOA Special Account, and the Government of the Federal Republic will thereupon make such sums available out of any balances in the GARIOA Special Account in the manner requested by the Government of the United States of America in the notification.

4. The Government of the Federal Republic of Germany may draw upon any remaining balance in the GARIOA Special Account for such purposes as may be agreed from time to time with the Government of the United States of America. In considering proposals put forward by the Government of the Federal Republic for drawings from the GARIOA Special Account, the Government of the United States of America will take into account the general considerations set forth in Article IV (6) of this agreement.

Article VI

(Access to Materials)

1. The Government of the Federal Republic of Germany will facilitate the transfer to the United States of America, for stock piling or other purposes, of materials originating in the Federal Republic which are required by the United States of America as a result of deficiencies or potential deficiencies in its own resources, upon such reasonable terms of sale, exchange, barter or otherwise, and in such quantities, and for such period of time as may be agreed to between the Governments of the United States of America and the Federal Republic, after due regard for the reasonable requirements of the Federal Republic, for domestic use and commercial export of such materials. The Government of the Federal Republic will take such specific measures as may be necessary to carry out the provisions of this paragraph, including the promotion of the increased production of such materials within the Federal Republic, and the removal of any hindrances to the transfer of such materials to the United States of America. The Government of the Federal Republic will, when so requested by the Government of the United States of America, enter into negotiations for detailed arrangements necessary to carry out the provisions of this paragraph.

2. Recognizing the principle of equity in respect to the drain upon the natural resources of the United States of America, and of the participating countries, the Government of the Federal Republic of Germany will, when so requested by the Government of the United States of America, negotiate where applicable,

a. A future schedule of minimum availabilities to the United States of America for future purchase and delivery of a fair share of materials originating in the Federal Republic which are required by the United States of America as a result of deficiencies or potential deficiencies in its own resources at world market prices so as to protect the access of United States industry to an equitable share of such materials either in percentages of production or in absolute quantities from the Federal Republic;

b. Arrangements providing suitable protection for the right of access for any citizen of the United States of America or any corporation, partnership, or other association created under the laws of the United States of America or of any state or territory thereof and substantially beneficially owned by citizens of the United States of America, in the development of such materials on terms of treatment equivalent to those afforded to the nationals of the Federal Republic; and

c. An agreed schedule of increased production of such materials where practicable in the Federal Republic and for delivery of an agreed percentage of such increased production to be transferred to the United States of America on a long-term basis on consideration of assistance furnished by the United States of America under this agreement.

3. The Government of the Federal Republic of Germany, when so requested by the Government of the United States of America, will cooperate, wherever appropriate, to further the objectives of paragraphs 1 and 2, of this article in respect of materials originating outside the Federal Republic of Germany.

Article VII

(Aid to Berlin)

The Federal Republic agrees to make available to the US, UK and French Sectors of Berlin, to the maximum extent possible, such assistance as may, in consultation between the Governments of the Federal Republic and of the City of Berlin, be determined to be required for the economic maintenance and development of that area.

Article VIII

(Travel Arrangements and Relief Supplies)

1. The Government of the Federal Republic of Germany will cooperate with the Government of the United States of America in facilitating and encouraging the promotion and development of travel by citizens of the United States of America to and within participating countries.

2. The Government of the Federal Republic of Germany will, when so desired by the Government of the United States of America, enter into negotiations for agreements (including the provision of duty-free treatment under appropriate safeguards) to facilitate the entry into the Federal Republic of supplies of relief goods donated to or purchased by United States voluntary non-profit relief agencies and of relief packages originating in the United States of America and consigned to individuals residing in the Federal Republic.

Article IX

(Consultation and Transmittal of Information)

1. The two governments will, upon the request of either them, consult regarding any matter relating to the application of this agree-

ment or to operations or arrangements carried out pursuant to this agreement.

2. The Government of the Federal Republic of Germany will communicate to the Government of the United States of America in a form and at intervals to be indicated by the latter after consultation with the Government of the Federal Republic:

a. Detailed information of projects, programs and measures proposed or adopted by the Government of the Federal Republic to carry out the provisions of this agreement and the general obligations of the Convention for European Economic Cooperation;

b. Full statements of operations under this agreement, including a statement of the use of funds, commodities and services received thereunder, such statements to be made in each calendar quarter;

c. Information regarding its economy and any other relevant information, necessary to supplement that obtained by the Government of the United States of America from the Organization for European Economic Cooperation which the Government of the United States of America may need to determine the nature and scope of operations under the Economic Cooperation Act of 1948 as amended, and to evaluate the effectiveness of assistance furnished or contemplated under this agreement and generally the progress of the joint recovery program.

3. The Government of the Federal Republic of Germany will assist the Government of the United States of America to obtain information relating to the materials originating in the Federal Republic referred to in Article VI which is necessary to the formulation and execution of the arrangements provided for in that article.

Article X

(Publicity)

1. The Government of the United States of America and the Federal Republic of Germany recognize that it is in their mutual interest that full publicity be given to the objectives and progress of the joint program for European recovery and of the actions taken in furtherance of that program. It is recognized that wide dissemination of information on the progress of the program is desirable in order to develop the sense of common effort and mutual aid which are essential to the accomplishment of the objectives of the program.

2. The Government of the United States of America will encourage the dissemination of such information and will make it available to the media of public information.

3. The Government of the Federal Republic of Germany will encourage the dissemination of such information both directly and in cooperation with the Organization for European Economic Cooperation. It will make such information available to the media of public information and take all practicable steps to ensure that appropriate facilities are provided for such dissemination. It will further provide other participating countries and the Organization for European Economic Cooperation with full information on the progress of the program for economic recovery.

4. The Government of the Federal Republic of Germany will make public in the Federal Republic in each calendar quarter full statements of operations under this agreement, including information as to the use of funds, commodities and services received.

Article XI

(Missions)

1. The Government of the Federal Republic of Germany agrees to receive a Special Mission for Economic Cooperation which will discharge the responsibilities of the Government of the

United States of America in the Federal Republic under this agreement.

2. The Government of the Federal Republic of Germany, upon appropriate notification from the Government of the United States, will accord appropriate courtesies to the Special Mission and its personnel, the United States special representative in Europe and his staff, and the members and staff of the Joint Committee on Foreign Economic Cooperation of the Congress of the United States of America, and will grant them the facilities and assistance necessary to the effective performance of their responsibilities to assure the accomplishment of the purposes of this agreement.

3. The Government of the Federal Republic of Germany, directly and through its representatives on the Organization for European Economic Cooperation will extend full cooperation to the Special Mission, to the United States special representative in Europe and his staff, and to the members and the staff of the Joint Committee. Such cooperation shall include the provision of all information and facilities necessary to the observation and review of the carrying out of this agreement, including the use of assistance furnished under it.

Article XII

(Outstanding Obligations and Commitments)

The Government of the Federal Republic of Germany agrees to assume any obligations of the United States or United Kingdom military governors, the French commander-in-chief, or the United States, United Kingdom, or French High Commissioners in Germany, undertaken, prior to the effective date of this agreement, pursuant to or in carrying out the agreements between the Government of the United States of America and said military governors acting on behalf of the United States and United Kingdom Occupied Areas in Germany, made on July 14, 1948, and between the Government of the United States of America and the French commander-in-chief in Germany, acting on behalf of the French Zone of Occupation of Germany, made on July 9, 1948, or pursuant to or in carrying out of arrangements for the provision of assistance to Germany authorized under applicable provisions of Appropriation Acts for the Government and Relief of Occupied Areas, to the full extent that the discharge of such obligation is within the jurisdiction of the Federal Republic of Germany. The Government of the Federal Republic further undertakes to assume full responsibility in connection with any and all claims against the military governors or the high commissioners which may now exist or hereafter arise in connection with transactions entered into in carrying out the agreements or arrangements above referred to. The Government of the United States of America, for its part, agrees to honor any commitments made prior to the effective date of this agreement, pursuant to the Agreements referred to above.

Article XIII

(Definitions)

As used in this agreement:

1. The term "participating country" means:
 - a. Any country which signed the report of the Committee of European Economic Cooperation at Paris on September 22, 1947, and territories for which it has international responsibility and to which the Economic Cooperation Agreement concluded between that country and the Government of the United States of America has been applied; and
 - b. Any other country (including any of the zones of occupation of Germany, any areas under international administration or control and the Free Territory of Trieste or either of its zones) wholly or partly in Europe, together with dependent areas under its administration;

for so long as such country is a party to the Convention for European Economic Cooperation and adheres to a joint program for European recovery designed to accomplish the purposes of this Agreement.

2. The term "conditional aid" means dollars furnished by the Government of the United States under the authority of the Economic Cooperation Act of 1948, as amended, to a participating country on condition that such country advance equivalent aid in the form of drawing rights in its own currency to other participating countries.

Article XIV

Nothing in this agreement shall be deemed to:

a. Authorize or require any action inconsistent with the Occupation Statute, or with legislation or other measures of the Occupation Authorities, or with agreements relating to Germany concluded by or on behalf of the Governments of the United States, the United Kingdom and France among themselves or jointly with other governments (including the agreement establishing the International Authority for the Ruhr);

b. Affect in any way the obligations of the Federal Republic under existing agreements or arrangements entered into on behalf of Germany; or

c. Abrogate or in any way limit the rights or powers of the Governments of the United States, the United Kingdom or France, jointly or severally, in respect to Germany, from whatever source derived and however exercised.

Article XV

(Entry into Force, Amendment, Duration)

1. This agreement shall become effective upon notification by the Government of the Federal Republic of Germany to the Government of the United States that all necessary legal requirements in connection with the conclusion by the Federal Republic of this agreement have been fulfilled. Subject to the provisions of paragraphs 2 and 3 of this article, it shall remain in force until June 30, 1953, and, unless at least six months before June 30, 1953, either government shall have given notice in writing to the other of intention to terminate the agreement on that date, it shall remain in force thereafter until the expiration of six months from the date on which such notice shall have been given.

2. If during the life of this agreement, either government should consider there has been a fundamental change in the basic assumptions underlying this agreement, it shall so notify the other government in writing and the two governments will thereupon consult with a view to agreeing upon the amendment, modification or termination of this agreement. If, after three months from such notification the two governments have not agreed upon the action to be taken in the circumstances, either government may give notice in writing to the other of intention to terminate this agreement. Then, subject to the provisions of paragraph 3 of this article, this agreement shall terminate either:

a. Six months after the date of such notice of intention to terminate; or

b. After such shorter period as may be agreed to be sufficient to ensure that the obligations of the Government of the Federal Republic of Germany are performed in respect of any assistance which may continue to be furnished by the Government of the United States of America after the date of such notice; provided, however, that Article VI and paragraph 3 of Article IX shall remain in effect until two years after the date of such notice of intention to terminate, but not later than June 30, 1953.

3. Subsidiary agreements and arrangements negotiated pursuant to this agreement may remain in force beyond the date of termination of this agreement and the period of effectiveness of such subsidiary agreements and arrangements shall be governed by their own terms. Articles IV and V shall remain in effect until all the sums in the currency of the Federal Republic of Germany required to be deposited in accordance with its own terms have been disposed of as provided in these Articles. Paragraph 2 of Article III shall remain in effect for so long as the guaranty payments referred to in that Article may be made by the Government of the United States of America.

4. This agreement may be amended at any time by agreement between the two Governments, subject to required legal procedures in each country.

5. The annex to this agreement forms an integral part thereof.

6. This agreement shall be registered with the secretary-general of the United Nations.

In witness whereof the respective representatives, duly authorized for the purpose, have signed the present Agreement.

Done at Bonn, in duplicate, both texts authentic, this 15th day of December, 1949.

For the
Government of the Federal Republic
of Germany

For the
Government of the United States
of America

Annex

(Interpretative Notes)

1. It is understood that the requirements of paragraph 1 a. of Article II, relating to the adoption of measures for the efficient use of resources, would include, with respect to commodities furnished under the Agreement, effective measures for safeguarding such commodities and for preventing their diversion to illegal or irregular markets or channels of trade.

2. It is understood that the obligation under paragraph 1 c. of Article II to balance the budgets as soon as practicable would not preclude deficits over a short period but would mean a budgetary policy involving the balancing of the budgets in the long run.

3. It is understood that the business practices and business arrangements referred to in paragraph 3 of Article II mean:

a. Fixing prices, terms or conditions to be observed in dealing with others in the purchase, sale or lease of any product;

b. Excluding enterprises from, or allocating or dividing, any territorial market or fields of business activity, or allocating customers, or fixing sales quotas or purchase quotas;

c. Discriminating against particular enterprises;

d. Limiting production or fixing production quotas;

e. Preventing by agreement the development or application of technology or invention whether patented or unpatented;

f. Extending the use of rights under patents, trademarks or copyrights granted by either country to matters which, according to its laws and regulations, are not within the scope of such grants or to products or conditions of production, use or sale which are likewise not the subjects of such grants; and

g. Such other practices as the two governments may agree to include.

It is further understood that any undertakings of the Federal Republic with respect to the above practices will be subject to the provisions of Article XIV of this agreement.

4. It is understood that the Government of the Federal Republic of Germany is obligated to take action in particular instances in

accordance with paragraph 3 of Article II only after appropriate investigation or examination.

5. It is understood that the date of notification referred to in Article IV 2 d. shall mean, for purposes of determining the conversion rate to be used in computing the amount in Deutsche Mark commensurate with the indicated dollar cost shown on any notification to the Government of the Federal Republic, the date of the last day of the disbursement period covered by such notification.

6. It is understood that the obligation of the Federal Republic to deposit counterpart under Article IV includes the obligation to deposit counterpart against any notification made subsequent to the effective date of this agreement, of the dollar cost of commodities, services and technical information authorized for procurement prior to this Agreement.

7. It is understood that the phrase in Article VI, "After due regard for the reasonable requirements of the Federal Republic for domestic use" would include the maintenance of reasonable stocks of the materials concerned and that the phrase "commercial export" might include barter transactions. It is also understood that arrangements negotiated under Article VI might appropriately include provisions for consultation, in accordance with the principles of Article 32 of the Havana Charter of an International Trade Organization, in the event that stock piles are liquidated.

8. It is understood that the Government of the Federal Republic of Germany will not be requested, under paragraph 2 a. of Article IX, to furnish detailed information about minor projects or confidential commercial or technical information the disclosure of which would injure legitimate commercial interests.

9. Nothing in Article XIV shall be deemed to affect in any way the fact that the undertaking of the Government of the United States under Article I of this agreement is limited to furnishing assistance under the terms, conditions and termination provisions of the Economic Cooperation Act of 1948, acts amendatory and supplementary thereto and appropriation acts thereunder, and to extending assistance under applicable provisions of appropriation acts for the Government and Relief of Occupied Areas.

10. In the determination of the obligations of the Federal Republic under Article VII of this agreement, account will be taken by the Government of the United States of the economic and financial situation in the Federal Republic and in Berlin.

**Agreement between the United States
and United Kingdom
High Commissioners for Germany
and the
Federal Republic of Germany
ECA Accounts**

Agreement dated December 15, 1949, between the United States High Commissioner for Germany and the United Kingdom High Commissioner for Germany (hereinafter together sometimes called the High Commissioners), parties of the first part, and the Federal Republic of Germany, party of the second part.

Whereas:

A. The Government of the United States of America and the United States and United Kingdom Military Governors for Germany (hereinafter sometimes together called the Military Governors), acting on behalf of the United States and United Kingdom Occupied Areas in Germany, on 14 July 1948, concluded an Economic Cooperation Agreement, (hereinafter sometimes called the Bilateral Agreement of 1948) a copy of which has been delivered to the Federal Republic of Germany,

B. Section 2 of Article IV of the Bilateral Agreement of 1948 provides that the Military Governors will establish a special account in the Bank Deutscher Laender in the name of the Military Governors and will make certain deposits in Deutsche marks in said account; including deposits of amounts in Deutsche marks commensurate with the indicated dollar cost of the Government of the United States of America of commodities, services and technical information made available to the United States/United Kingdom Occupied Areas in Germany under the authority of the Economic Cooperation Act of 1948.

C. In accordance with said Section 2 the Military Governors in due course established a special account in the Bank Deutscher Laender in the name "Military Governors for Germany (US/UK)" (hereinafter sometimes called the special account of the Military Governors). Pursuant to the provisions of Section 6 of Article IV of the Bilateral Agreement of 1948, the Military Governors might draw upon the balance in the special account of the Military Governors remaining after certain amounts in Deutsche marks had been made available out of any balances in said account in accordance with the provisions of Sections 3, 4 and 5 of Article IV of the Bilateral Agreement of 1948, but only for such purposes as might be agreed from time to time with the Government of the United States of America.

D. In accordance with the aforementioned provisions of the Bilateral Agreement of 1948, the Military Governors from time to time made deposits in Deutsche marks in the special account of the Military Governors and withdrew from said account amounts in Deutsche marks as provided in said agreement.

E. In accordance with an exchange of letters between the acting United States Political Adviser for Germany and the Military Governors of the United States/United Kingdom Occupied Areas of Germany, dated April 28 and May 10, 1948, the Military Governors have deposited, or are due to deposit, in the special account of the Military Governors Deutsche marks equivalent to the United States dollar value of drawing rights made available to the United States/United Kingdom Occupied Areas by other participating countries under the authority of the Economic Cooperation Act of 1948.

F. There is also established in the names of the Military Governors in the Bank Deutscher Laender an account known as "Military Governors for Germany (US/UK) ERP Collections," which contains the proceeds of sale of imports furnished to the Military Governors by the Government of the United States under the authority of the Economic Cooperation Act of 1948.

G. From time to time the Military Governors transferred from the account now known as ERP Collections to the special account of the Military Governors amounts required to be deposited in the latter account pursuant to Section 2 of Article IV of the Bilateral Agreement of 1948. The amounts so required to be transferred from time to time exceeded the amounts of proceeds of sale of imports furnished under the Economic Cooperation Act of 1948. Pursuant to a letter dated 12 August 1949 from the Military Governors to the Bank Deutscher Laender the accumulated excess as of that date, amounting to DM 353,107,330.26 was debited to an account in the Bank Deutscher Laender known as "Military Governors for German US/UK Suspense Account" (hereinafter sometimes called the suspense account). By said letter the Military Governors agreed with Bank Deutscher Laender that they would not request the United States Economic Cooperation Administration (hereinafter sometimes called ECA) to release from the special account

of the Military Governors any amounts of Deutsche marks the release of which would reduce the credit balance in said account below the amount of the then debit balance in the suspense account.

H. The Federal Republic of Germany has concluded with the Government of the United States of America an Economic Cooperation Agreement of even date herewith (hereinafter sometimes called the Bilateral Agreement of 1949). Under said agreement the Federal Republic of Germany is required to transfer to a special account in its name with the Bank Deutscher Laender the balance at the close of business on the effective date of the agreement in the special account of the Military Governors.

I. The High Commissioners have succeeded to all the rights and obligations of the Military Governors under the Bilateral Agreement of 1948 and in respect of the aforementioned accounts with the Bank Deutscher Laender.

J. The High Commissioners are prepared, on the terms and conditions hereinafter set forth, to transfer to the Federal Republic of Germany the credit balance in the special account of the Military Governors, but only if the Federal Republic of Germany shall assume all obligations of and full responsibility for claims against the Military Governors or the High Commissioners which may now exist or hereafter arise in connection with transactions entered into pursuant to or in carrying out the Bilateral Agreement of 1948. Now, therefore, for and in consideration of the mutual undertakings hereinafter set forth the parties heretofore hereby agree as follows:

1. The High Commissioners hereby assign, transfer and set over to the Federal Republic of Germany all right, title and interest of the High Commissioners in and to any and all amounts standing to the credit of the High Commissioners in the special Account of the Military Governors and the ERP collection account, and in and to any and all proceeds of sale of imports heretofore furnished to the High Commissioners by the Government of the United States under the Bilateral Agreement of 1948 which have been heretofore collected but not yet deposited in the special account of the Military Governors, or which shall hereafter be collected for the account of the High Commissioners. The High Commissioners further undertake to furnish to the Government of the Federal Republic the information required to establish an exact accounting statement of all assets, including accounts receivable, and all liabilities, contingent or otherwise, resulting from operations under the Bilateral Agreement of 1948.

2. The Federal Republic of Germany hereby assumes all obligation of and full responsibility for claims against the Military Governors and the High Commissioners which may now exist or hereafter arise in connection with transaction entered into pursuant to or in carrying out the Bilateral Agreement of 1948, and further agrees to take appropriate measures to liquidate the suspense account as soon as possible; and the Federal Republic of Germany hereby agrees to indemnify and save harmless the High Commissioners from and against any claims or liabilities whatsoever arising out of or in connection with the special account of the Military Governors and the suspense account.

**Agreement between
the French High Commissioner
for Germany and
the Federal Republic of Germany
ECA Accounts**

Agreement dated 15 December 1949, between French High Commissioner for Germany (hereinafter sometimes called the High Com-

missioner), party of the first part, and the Federal Republic of Germany, party of the second part.

Whereas:

A. The Government of the United States of America and the French Commander-in-Chief in Germany (hereinafter sometimes called the commander-in-chief), acting on behalf of the French Zone of Occupation in Germany, on 9 July 1948, concluded an Economic Cooperation Agreement (hereinafter sometimes called the Bilateral Agreement of 1948), a copy of which has been delivered to the Federal Republic of Germany.

B. Section 2 of Article IV of the Bilateral Agreement of 1948 provides that the Commander-in-Chief will establish a special account in the Landeszentralbank of Baden at Freiburg in the name of the Commander-in-Chief and will make certain deposits in Deutsche marks in said account, including deposits of amounts in Deutsche marks commensurate with the indicated dollar cost to the Government of the United States of America of commodities, services and technical information made available to the French Zone of Occupation of Germany under the authority of the Economic Cooperation Act of 1948.

C. In accordance with said Section 2 the Military Governors in due course established a special account in the Landeszentralbank of Eaden at Freiburg in the name of the French Commander-in-Chief, which account has now been transferred to the Bank Deutscher Laender (hereinafter sometimes called the special account for the French Zone). Pursuant to the provisions of Section 6 of Article IV of the Bilateral Agreement of 1948, the Commander-in-Chief might draw upon the balance in the special account for the French Zone remaining after certain amounts in Deutsche marks had been made available out of any balances in said account in accordance with the provisions of Sections 3, 4 and 5 of Article IV of the Bilateral Agreement of 1948, but only for such purposes as might be agreed from time to time with the Government of the United States of America.

D. In accordance with the aforementioned provisions of the Bilateral Agreement of 1948, the Commander-in-Chief from time to time made deposits in Deutsche marks in the special account for the French Zone and withdrew from said account amounts in Deutsche marks as provided in said agreement.

E. The amounts required to be transferred from time to time into the special account for the French Zone pursuant to the Bilateral Agreement of 1948 have exceeded the amounts actually deposited in said account. Pursuant to a letter dated August 17, 1949, from the Commander-in-Chief to the Bank Deutscher Laender the accumulated excess as of that date, amounting to DM 123,000,000 was debited to an account in the Bank Deutscher Laender known as "French Zone Suspense Account" (hereinafter sometimes called the suspense account). By said letter the Commander-in-Chief agreed with Bank Deutscher Laender that they would not request the United States Economic Cooperation Administration (hereinafter sometimes called ECA) to release from the special account for the French Zone any amounts of Deutsche marks the release of which would reduce the credit balance in said account below the amount of the then debit balance in the suspense account.

F. The Federal Republic of Germany has concluded with the Government of the United States of America an Economic Cooperation Agreement of even date herewith (hereinafter sometimes called the Bilateral Agreement of 1949). Under said Agreement the Federal Republic of Germany is required to transfer to a special account in its name with the Bank

Deutscher Laender the balance at the close of business on the effective date of the agreement in the special account for the French Zone.

G. The High Commissioner has succeeded to all the rights and obligations of the Commander-in-Chief under the Bilateral Agreement of 1948 and in respect of the aforementioned accounts with the Bank Deutscher Laender.

H. The High Commissioner is prepared, on the terms and conditions hereinafter set forth, to transfer to the Federal Republic of Germany the credit balance in the Special Account for the French Zone, but only if the Federal Republic of Germany shall assume all obligations of and full responsibility for claims against the Commander-in-Chief or the High Commissioner which may now exist or hereafter arise in connection with transactions entered into pursuant to or in carrying out the Bilateral Agreement of 1948. Now, therefore, for and in consideration of the mutual undertakings hereinafter set forth, the parties hereto hereby agree as follows:

1. The High Commissioner hereby assigns, transfers, and sets over to the Federal Republic of Germany all right, title and interest of the High Commissioner in and to any all amounts standing to the credit of the High Commissioner in the Special Account for the French Zone and in and to any and all proceeds of sale of imports heretofore furnished to the High Commissioner by the Government of the United States under the Bilateral Agreement of 1948 which have heretofore been collected but have not yet been deposited in the Special Account for the French Zone, or which shall hereafter be collected for the account of the High Commissioner. The High Commissioner further undertakes to furnish to the Government of the Federal Republic the information required to establish an exact accounting statement of all assets, including accounts receivable, and all liabilities, contingent or otherwise, resulting from operations under the Bilateral Agreement of 1948.

2. The Federal Republic of Germany hereby assumes all obligations of and full responsibility for claims against the Commander-in-Chief and the High Commissioner which may now exist or hereafter arise in connection with transactions entered into pursuant to or in carrying out the Bilateral Agreement of 1948, and agrees to take appropriate measures to liquidate the suspense account as soon as possible, and the Federal Republic of Germany hereby agrees to indemnify and save harmless the High Commissioner from and against any claims or liabilities whatsoever arising out of or in connection with the special account for the French Zone and the suspense account.

**Agreement between the United States
and United Kingdom
High Commissioners for Germany
and the
Federal Republic of Germany
GARIOA Accounts**

Agreement dated December 15, 1949, between the United States High Commissioner for Germany and the United Kingdom High Commissioner for Germany (hereinafter together sometimes called the High Commissioners), parties of the first part, and the Federal Republic of Germany, party of the second part.

Whereas:

A. The Government of the United States of America, under the authority of applicable provisions of Appropriations Acts for the Government and Relief of Occupied Areas, and the Government of the United Kingdom, have

furnished assistance, (hereinafter sometimes called GARIOA Assistance), to the Military Governors of the United States and United Kingdom Occupied Areas of Germany (hereinafter sometimes called the Occupied Areas) for the benefit of said areas.

B. The Military Governors have established an account in the Bank Deutscher Laender known as "Military Governors for Germany (US/UK) Proceeds from Deferred Payments Import Account" (hereinafter sometimes called the deferred payments import account). The Military Governors have from time to time caused to be deposited in a sub-account of the deferred payments import account, known as "Proceeds of GARIOA Imports Sub-Account," the Deutsche mark proceeds collected from purchasers in the Occupied Areas of GARIOA Assistance furnished by the Government of the United States of America and by the Government of the United Kingdom and have established an obligation on the Bizonal Economic Administration to deposit in said account, since May 1, 1949, the Deutsche mark equivalent of the indicated dollar cost to the United States and Sterling cost to the United Kingdom of such assistance.

C. The Military Governors have, from time to time, used amounts credited to the proceeds of GARIOA import sub-account for the purpose of rendering vital assistance to the economy of the occupied areas, and the French occupied area of Germany. The Military Governors also from time to time used amounts so credited to the proceeds of GARIOA imports sub-account in the making of loans to the Reconstruction Loan Corporation for the purpose of enabling said corporation to finance projects of benefit to the economy of the occupied areas.

D. The Military Governors further, from time to time, made agreements to apply amounts so credited or to be credited to the proceeds of GARIOA imports sub-account to the financing of other projects of benefit to the economy of the occupied areas, and the French occupied area of Germany, and have caused payments in respect of such agreements to be made and to be debited against the proceeds of GARIOA imports sub-account. In order fully to carry out such agreements it will be necessary that further amounts be made available from time to time for such purposes.

E. The High Commissioners have succeeded to the rights and obligations of the Military Governors in respect of the proceeds of GARIOA import sub-account and the agreements and loans referred to in paragraphs C and D above.

F. The Federal Republic of Germany has concluded with the Government of the United States of America an Economic Cooperation Agreement of even date herewith, (hereinafter sometimes called the Bilateral Agreement of 1949). Under Article V of said Agreement the Federal Republic of Germany is required to establish with the Bank Deutscher Laender a special account (hereinafter sometimes called the GARIOA special account) in the name of said republic and to deposit in said account:

a. any balance at the close of business on the effective date of this Agreement in the special account in the Bank Deutscher Laender entitled "Proceeds of GARIOA Imports Sub-Account of Military Governors for Germany (US/UK) Proceeds from Deferred Payments Import Account."

b. all amounts due for deposit as of the effective date of said Agreement, or which may become due after such date, in fulfillment of the obligations assumed by the Government of the Federal Republic under Article 133 of the Basic Law of the Federal Republic, insofar as such obligations are related to arrangements for the provision of assistance by the Government of the United States to Germany authorized under

applicable provisions of Appropriation Acts for the Government and Relief of Occupied Areas; and

c. amounts in Deutsche marks commensurate with the indicated dollar cost to the Government of the United States of commodities and services (including any costs of processing, storing, transporting, repairing, or other services incident thereto) made available after the effective date of the Agreement to the Federal Republic under the authority of applicable provisions of appropriation acts of the United States Congress for the Government and Relief of Occupied Areas.

G. In order to enable the Federal Republic of Germany to carry out the purpose of the Bilateral Agreement of 1949, the Federal Republic has requested the High Commissioners to transfer to the Federal Republic the right, title and interest of the High Commissioners in respect of the proceeds of GARIOA imports sub-account and in respect of the loans or other assistance referred to in paragraphs C and D above, and of any proceeds of sale of GARIOA Assistance heretofore furnished to the Military Governors or the High Commissioners, (for the benefit) of the Occupied Areas, or of the French Zone of Occupation of Germany, which have heretofore been collected but have not yet been deposited in the proceeds of GARIOA imports sub-account or which shall hereafter be collected for the account of the High Commissioners.

H. The High Commissioners are willing to make such transfer on the terms and conditions hereinafter set forth.

Now, therefore, for and in consideration of the mutual undertakings hereinafter set forth, the parties hereto hereby agree as follows:

1. The High Commissioners hereby assign, transfer and set over to the Federal Republic of Germany all right, title and interest of the High Commissioners in and to:

a. any credit balance existing as of the effective date of this agreement in the proceeds of GARIOA imports sub-account;

b. any and all proceeds of sale of GARIOA assistance heretofore furnished to the Military Governors or the High Commissioners, (for the benefit) of the Occupied Areas, or of the French Zone of Occupation, which have heretofore been collected but have not yet been credited to the proceeds of GARIOA imports sub-account or which shall hereafter be collected for the account of the High Commissioners; and

c. any and all obligations which are at the date hereof payable or which shall hereafter become payable to the High Commissioners in respect of any and all loans or other assistance heretofore rendered by the Military Governors or the High Commissioners within the occupied areas and the French occupied area out of the proceeds of GARIOA imports sub-account, and any and all bonds, notes or other instruments evidencing such loans or other assistance.

2. The Federal Republic of Germany agrees:

a. to pay into the proceeds of GARIOA imports sub-account all amounts owing to said account which have heretofore been an obligation of the Bizonal Economic Administration or the Federal Republic under notifications or regulations of the US/UK Military Governors or High Commissioners;

b. to make payment on behalf of the High Commissioners of any and all amounts in Deutsche marks which are at the date hereof payable or which shall hereafter become payable under any agreement existing at the date hereof of the Military Governors or of the High Commissioners to finance or assist in the financing of any projects in the Occupied Areas, and the French Occupied Area of Germany; and

c. to assume all other obligations of and full responsibility for all claims against the Mil-

tary Governors or High Commissioners which may now exist or hereafter arise in connection with the furnishing of GARIOA assistance or expenditures from the proceeds of GARIOA imports sub-account, and to indemnify and save harmless the High Commissioners from and against any and all claims and liabilities in respect of the proceeds of GARIOA imports.

United States High Commissioner for Germany

December 15, 1949.

His Excellency,
The Chancellor of the Federal Republic of Germany,
Museum Koenig,
Coblenzstrasse,
Bonn, Germany.

Mr. Chancellor:

I have the honor to refer to the conversations which have recently taken place between representatives of our two governments relating to the obligations arising from the exercise of drawing rights made available to the Federal Republic of Germany pursuant to the agreements for intra-European payments and compensations of October 16, 1948 and September 7, 1949, insofar as such drawing rights are attributable to United States dollar assistance furnished by the Economic Cooperation Administration to participating countries for the purposes of that agreement.

1. To the extent that the agent authorized to perform payments compensations pursuant to the agreement for intra-European payments and compensation utilizes drawing rights established in favor of the Federal Republic of Germany, the Government of the Federal Republic of Germany will deposit commensurate amounts of Deutsche marks in the special local currency account established under Article IV of the Economic Cooperation Agreement between the Federal Republic of Germany and the United States. The Government of the Federal Republic of Germany will also deposit in said account all amounts in Deutsche marks due for deposit as a result of the exercise of drawing rights prior to this date in the French Zone of Occupation in Germany, and all amounts of Deutsche marks due for deposit or heretofore deposited by the United States/United Kingdom Military Governors in accordance with an exchange of letters between the United States/United Kingdom Military Governors and the acting United States Political Adviser for Germany on April 28 and May 10, 1948.

2. The amounts to be deposited shall be equivalent to the United States dollar value of drawing rights made available by participating countries and exercised in favor of the Federal Republic of Germany as communicated to the Economic Cooperation Administration by the agent. This value will be identical with the amounts of United States dollars allotted to such participating countries in order to obligate them to make such drawing rights available.

3. The conversion rate governing the computation of amounts of local currency deemed equivalent to the dollar value of drawing rights as set forth in paragraph 2 above shall be the same as that governing deposits made in accordance with Article IV of the Economic Cooperation Agreement between the Federal Republic of Germany and the United States.

4. Deposits of local currency made pursuant to this exchange of notes shall be held and governed in accordance with all the terms and conditions applicable to deposits made pursuant to Article IV of the Economic Cooperation Agreement between the United States and the Federal Republic of Germany.

5. It is understood that obligations to deposit local currency in accordance with this note apply only in the case of drawing rights to which no obligations of repayment attach.

It would be appreciated if you would confirm the above understandings at your earliest convenience.

Please accept, Excellency, the renewed assurance of my highest consideration.

Very truly yours,

John J. McCloy
US High Commissioner for Germany.

Office of the United States High Commissioner for Germany and Special Representative of the Economic Cooperation Administration for Germany

December 15, 1949.

His Excellency,
The Chancellor of the
Federal Republic of Germany,
Museum Koenig,
Coblenzstrasse,
Bonn, Germany.

Mr. Chancellor:

I have the honor to confirm by this letter certain statements made by the representatives of the United States Government during the course of the negotiation of the Economic Cooperation Agreement signed today.

The representatives of the United States Government have stated that, while the United States retains a lien on the proceeds of all German exports as provided in Paragraph 3 of Article I, the United States Government will consider German ability to pay and other relevant factors when settlement of the claims therein referred to, and of similar claims provided for in Article XII, is requested.

In connection with the subject of claims against Germany in general, I should also like to confirm the statement made that the only claims covered by the agreement are claims arising through the furnishing of ECA and GARIOA assistance by the United States to Germany after the effective date of the Agreement, and through the furnishing of ECA aid under the provisions of the Economic Cooperation Agreements signed on behalf of their zones of Germany in April 1948 by the United States/United Kingdom and French Military Governors respectively. The claims of the United States against Germany arising through the furnishing of past GARIOA aid, and other claims, are not covered by this agreement. It is understood however, that their exclusion from this agreement in no way affects their validity, and that they will be asserted by the United States at the appropriate time on a similar basis with the claims acknowledged by the Federal Republic in signing this agreement.

With reference to Paragraph 3 of Article V, the Government of the United States intends to provide the Government of the Federal Republic from time to time with an estimate, if possible on an annual basis, of the total expenditures for which it may request that funds be made available out of the GARIOA Special Account under the provisions of that paragraph.

The Government of the United States will inform the Government of the Federal Republic of the general purposes for which funds withdrawn from the account under Paragraph 3 of Article V have been expended. At the time of the final settlement envisaged in Paragraph 3 of Article I, the Government of the United States will, of course, provide more detailed information with regard to expenditures respecting which it then determines to maintain a claim against Germany.

Your delegation has asked if assurances can be made on behalf of my government to the

effect that in carrying out the provisions of Paragraph 2(d) of Article IV, the United States does not intend to apply the current official conversion rate retroactively prior to the October 1st cut-off date, and that it is the further intent of ECA that in this, as in all other respects possible, the Federal Republic of Germany will be treated similarly to all other participating countries of ERP. I am pleased to make these assurances.

Your delegation has raised the question whether it is to be expected that there might be an increase in the obligations to be assumed pursuant to Article XII, over and above an amount of DM 700,000,000, and in case this sum should be exceeded, whether the de-blocking of counterpart funds for the benefit of the German economy would be suspended. I can assure you that it is not expected that the sum of DM 700,000,000 will be exceeded. If contrary to expectations, it will be exceeded, I can assure you that there will be no suspension of the de-blocking of counterpart funds for the benefit of the German economy and, further, that I will assist the Government of the Federal Republic of Germany in finding a solution to the situation.

I shall also use my best efforts with the Allied High Commission to obtain favorable consideration of a request by the Government of the Federal Republic of Germany to raise the limit on advances from the Bank Deutscher Laender to the Government of the Federal Republic of Germany.

I can inform you that, on December 1, 1949, the Allied Banking Commission has been instructed that no further charge is to be made against the GARIOA account as a result of operations by JEIA. The process of liquidating JEIA will be a separate financial operation.

In order to establish the precise amount of the obligations taken over by the Government of the Federal Republic of Germany under Article XII, I agree that it would be desirable to institute the audits authorized by BICO/SEC(49)496 of 14 September 1949.

I hope this letter answers any question which you or your delegation may have had in respect to the above matters.

Very truly yours,

John J. McCloy,

Special Representative for Germany.

Official Communiques

Dec. 8 Meeting of HICOM

The ninth meeting of the council of the Allied Commission was held Dec. 8 at the Petersberg, near Bonn. Present were Mr. Andre Francois-Poncet, French High Commissioner (chairman), Mr. John J. McCloy, United States High Commissioner, and Sir Brian Robertson, United Kingdom High Commissioner.

The Council took action to facilitate the federal government's financial aid to Berlin. It was agreed to amend two articles in Military Government finance laws which have hitherto created technical difficulties in the provision of financial aid (see "Laws and Ordinances").

An addition is to be made to Article 28 of Military Government Law 63 (the conversion law) which will permit public agencies to borrow money and issue loans in suitable cases for productive purposes if amortization and payment of interest are provided from the ordinary budget. This will enable the federal and state governments to make expenditures for productive purposes through loans whose interest and repayment will be covered in their budgets. As an immediate measure, it is envisaged that the federal government will issue federal treasury bills over the next five months to the amount necessary to meet that part of the Berlin

budget's deficit which is not already covered by provision from state budgets.

Further, Article 3 of the law establishing the *Bank Deutscher Laender* (Military Government Law No. 60, Ordinance No. 129) is to be modified to enable the Bank Deutscher Laender to advance money to the Berlin Central Bank against, among other things, equalization claims of the Berlin city administration.

(Note on equalization claims: when currency reform took place the accounts of banks and other financial institutions were balanced, as a technical banking procedure, by the creation of credit in the form of three percent bonds without maturity date enabling the financial institutions to make subsequent claims against state governments and, in the case of Berlin, against the Berlin *Magistrat* [City Council]. It is to meet these "equalization claims" that the Berlin Central Bank needs advances from the Bank Deutscher Laender.)

Texts of the necessary amendments to the Military Government legislation are now in preparation and will be promulgated shortly.

The council also agreed that, beginning with the financial year 1950/51, there would be a uniform system for the definition, presentation and accounting of occupation costs and mandatory expenditures in all three zones.

Dec. 16 Meeting of HICOM

The tenth meeting of the Council of the Allied High Commission was held Dec. 16 at the Petersberg, near Bonn. Present were Mr. Andre Francois-Poncet, French High Commissioner (chairman), Mr. John J. McCloy, United States High Commissioner, and Sir Brian Robertson, United Kingdom High Commissioner.

The Council:

(I) Agreed that the commander-in-chief in each of the western zones acting under the authority of his High Commissioner, should determine the future status of the military missions accredited to the commanders-in-chief and representing foreign governments which have not indicated their intention to accredit a mission to the High Commission. It was agreed that in cases where a mission would be asked to terminate its activities the High Commissioners of the other zones would be informed.

(II) Agreed to the setting up of a sub-committee of the Foreign Trade and Exchange Committee of the Allied High Commission, for the purpose of dealing with matters of customs and tariffs.

(III) Decided to disapprove a law passed by the State Government of Bremen, in March 1949, on the subject of re-establishment of consumers' cooperative societies on the grounds that the law was inconsistent with a decision of the Occupation Authorities in that it purported to amend a law on the same subject which had already been annulled by US Military Government.

(IV) Approved and signed a law on the elimination of German militarism and Nazism (see "Laws and Ordinances").

(V) Approved and signed a law for the control of patent applications in the fields of prohibited or controlled research or manufacture (see "Laws and Ordinances").

(VI) Noted that the functions of the Joint Export-Import Agency (JEIA) had been taken over by the federal government on Nov. 28, agreed that all claims against JEIA should be filed within a period of nine months from the date JEIA was put into liquidation (Dec. 19, 1949) and that claims not filed within such period should be barred.

(VII) Decided to disapprove provisionally an act for the regulation of handicrafts, enacted

by the diet of the state of Baden on Sept. 21, 1949, to permit study by experts as to the effect of such a law on freedom of trade, and the individual's right to pursue an occupation; the law will be discussed again by the Council on Jan. 12, 1950.

(VIII) Signed a law on amendments to banking and currency reform legislation, to take effect from Dec. 15, 1949. The main purposes of these amendments are to facilitate federal aid to Berlin and to modify Allied banking and currency reform legislation to take account of the new responsibilities of the federal government arising out of the bilateral agreement.

Jan. 5 Meeting of HICOM

The eleventh meeting of the Council of the Allied High Commission was held Jan. 5 at the Petersberg, near Bonn. Present were Sir Brian Robertson, United Kingdom High Commissioner (chairman), Mr. John McCloy, United States High Commissioner and Mr. Andre Francois-Poncet, French High Commissioner.

The Council:

1. Confirmed its approval of the European Cooperation Administration (ECA) agreement between the Federal Government and the United States and noted that this would be considered as taking effect provisionally from Dec. 29, 1949, until notification to the United States representative, on or before Jan. 31, 1950, of ratification of the agreement by the German Federal *Bundesrat* (Council) and *Bundestag* (Assembly).

2. Approved the schedules for German coal prices for the first quarter of 1950 which have been proposed by the German authorities and have been under discussion with a working party of the Allied High Commission, and which provide for an overall reduction in the differentials between internal and export prices.

3. Took note of a request from the federal chancellor that the Fischer Tropsch plants (Krupp's Treibstoffwerke, Wanne-Eickel and Gewerkschaft Viktor, Castrop-Rauxel), which have ceased to work as a result of the inter-governmental agreement on prohibited and limited industries, should be allowed to remain in operation for conversion to a proposed new process for the production of basic products for the chemical industry and involving the production of only a low proportion of synthetic gasoline. The Council decided to discuss this subject with the chancellor.

4. In accordance with its policy of furthering the progressive participation of Germany in international bodies, agreed that the Federal Republic should participate as observers at certain conferences of the International Labor Organization and agreed to invite the Federal Government to communicate with the International Labor Organization in connection with forthcoming conference.

5. Accepted a notification from the Netherlands government of the establishment of the Netherlands Indonesian Union to effectuate cooperation between the Kingdom of the Netherlands and the Republic of the United States of Indonesia, and decided to inform the German Federal Government accordingly.

6. Decided to hold a meeting in Berlin on Wednesday, Jan. 18.

Jan. 12 Meeting of HICOM

The twelfth meeting of the Council of the Allied High Commission was held Jan. 12 at the Petersberg, near Bonn. Present were Mr. C. E. Steel, United Kingdom deputy high commissioner (chairman), acting for Sir Brian Robertson; Maj. Gen. George P. Hays, United States deputy high commissioner, acting for

Mr. John J. McCloy, and Mr. Andre François-Poncet, French High Commissioner.

The Council:

1. Reconsidered the act for the regulation of handicrafts which had been enacted by the diet of the state of Baden on Sept. 21, 1949, and which was disapproved provisionally by the Council on Dec. 16, 1949, to permit study by experts as to the effect of such a law on freedom of trade and the individual's right to pursue an occupation. It decided that the provisional disapproval should be maintained in force for the time being, pending the completion of a detailed study of its constitutional and economic aspects, at which time it will be reconsidered. An examination is to be made of the existing organization and regulation of handicrafts trades in the three zones.

2. Discussed general principles for a common policy to permit Germans to use sporting firearms in the three zones of western Germany. Legal experts were instructed to prepare appropriate legislation to this end.

3. Approved a second amendment to Law No. 1—Official Gazette of the Allied High Commission—to provide that legislation enacted prior to the date of Law I (Sept. 21, 1949) would have legal effect even if published after that date in Military Government gazettes (see "Laws and Ordinances").

4. Took note of a request from the federal chancellor suggesting negotiations with the Royal Netherlands government concerning Netherlands claims for the return of river craft. As a first step in the settlement of this matter the Council decided to approach the Netherlands government.

5. Decided, in accordance with the spirit of the provisions of the Occupation Statute, to transfer to the German authorities responsibility for the regulation of political parties, associations, meetings and public processions. It directed legal experts to draft a law to put this decision into effect. The law will come into force three months after its promulgation, in order to give the German authorities an opportunity to produce such regulations as they might consider necessary on this subject. In the meantime Allied authorities will use their powers under the existing legislation only sparingly and in exceptional circumstances.

Amnesty Law Agreement

An exchange of views concerning the interpretation and application of certain provisions of the Amnesty Law of Dec. 9, 1949 took place between representatives of the federal government and of the Allied High Commission. During the course of correspondence between the chairman of the Allied High Commission and the federal chancellor of Dec. 29 and 30 respectively, agreement was reached on the following points:

a) That the Amnesty Law does not apply to penalties imposed by courts of the Occupation Authorities.

b) That Article 9 of the law is limited in operation by Article 1 of the law and that it shall apply only to punishable acts committed after May 8, 1945 and before Sept. 15, 1949.

c) That the provisions of Article 9 shall not extend amnesty to perpetrators of acts which were directed against the free democratic public order.

d) That the federal minister of justice will contact the ministers of justice of the states in order to establish certain rules as to interpretation and application which will make it possible that a uniform procedure may be worked out to be observed by the public prosecutors in applying the law and which will serve as a guide to the courts as to the aims of the legislature.

Under these circumstances the Allied High Commission has decided not to disapprove the law. The federal government has made arrangements for the law to come into force on Dec. 31, 1949.

Meeting with Chancellor

The three Allied High Commissioners met Dec. 16 at the Petersberg, near Bonn, with the chancellor of the German Federal Republic for another in their series of informal discussions.

Questions of procedure in connection with the Federal Republic's accession to the International Authority for the Ruhr, as well as the nomination of a German delegate to this authority, were further discussed. Complete agreement was reached and the letters pertaining to the accession will be published by the chancellor.

The procedure for tripartite liaison and communications between the different levels of the High Commission and those of the German federal government was clarified and agreed upon.

An offer by the Danish government to provide trains and food for the transfer of refugees from Schleswig-Holstein to other parts of Germany was communicated to the chancellor.

The High Commissioners and the federal chancellor discussed some problems arising from the implementation of the Petersberg agreement in its application to certain cases of dismantling. These problems concern matters of detail which lie within the competence of the High Commissioners.

The High Commissioners discussed with the chancellor measures required to facilitate establishment of the Military Security Board in Coblenz.

Laws and Ordinances

Law on Elimination of Militarism and Nazism

Whereas it is desirable to codify the legislation intended to eliminate Militarism and Nazism the Council of the Allied High Commission enacts as follows:

Article 1

The following are prohibited:

(a) Any activity which teaches, directly or indirectly, the theory, principles or technique of war or is intended to prepare for any warlike activity or to foster the resurgence of militarism,

(b) Unless expressly authorized by the Allied High Commission, the manufacture, sale, distribution, possession or use of any article or device with the intention of facilitating any of the activities prohibited in paragraph (a) hereof, or with the knowledge that such article or device is intended to be used to facilitate any such activity.

(c) All organizations of the kind designated below:

- (1) Military organizations,
- (2) Para-military organizations,
- (3) Organizations which require any of their members to be war veterans,
- (4) National Socialist organizations.

Article 2

1. The following legislation is hereby deprived of effect in the territory of the Federal Republic:

Control Council Law No. 2, "providing for the termination and liquidation of the Nazi organizations."

Articles I, II, III, V, VI, VII, VIII and IX of Control Council Law No. 8, "Elimination and prohibition of military training."

Control Council Law No. 34, "Dissolution of the Wehrmacht."

Control Council Law No. 58, "Supplement to appendix to Control Council Law No. 2, providing for the termination and liquidation of Nazi organizations."

Control Council Order No. 4, "Confiscation of literature and material of a Nazi and militarist nature."

2. The following legislation is hereby repealed: SHAEF Law No. 7, "Removal from official seals of National Socialist emblems."

United States Military Government Law No. 153, "German Courts Martial."

Paragraphs 1 (a), 1 (b), 1 (d), 1 (e), 1 (f), 1 (g), 1 (h), 2, 3, 4 and 5 of United States Military Government Law No. 154, "Elimination and prohibition of military training."

Article II, British Military Government Ordinance No. 8, "Regulation of public discussion and other public activities."

3. Nothing in this article shall affect the consequences of any action taken under, or any right created by or under, any of the legislation deprived of force or repealed by this law.

Article 3

Any violation of the provisions of this law shall be punishable by any term of imprisonment, including imprisonment for life, or a fine not exceeding DM 100,000 or by both such imprisonment and fine.

Law on Control of Patent Applications in Certain Fields of Research and Manufacture

The Council of the Allied High Commission enacts as follows:

Article 1

The president of the German Patent Office, or such official as he may designate, shall on Feb. 1, 1950 submit to the Military Security Boards abstracts (*Auszuege*) in triplicate of all patent applications (other than those referred to in sub-paragraphs a, b, and c of article 3) examined as to form before that date by the German Patent Office which concern research.

(a) In any field primarily of a military nature.

(b) In any field specified in schedules a and b of British MG Law No. 23, United States MG Law No. 23 and French Military Government Ordinance No. 231.

(c) In such fields of prohibited or limited industries as may be specified by the Allied High Commission.

Article 2

The president of the German Patent Office, or such official as he may designate, shall as from Feb. 15, 1950 submit bimonthly to the Military Security Board abstracts (*Auszuege*) in triplicate of all patent applications (other than those referred to in sub-paragraphs a, b, and c of Article 3) which concern fields specified in article 1, examined as to form during the period of 15 days prior to the date each transmission.

Article 3

The president of the German Patent Office, or such official as he may designate, shall as from April 1, 1950 submit bimonthly to the Military Security Board non-cumulative lists in triplicate of the following:

(a) Patents granted by the German Patent Office on applications concerning the matters referred to in Article 1, which were pending in the former *Reichspatentamt* (German Patent

Office) on May 8, 1945, and have been reinstated under existing law.

(b) Applications or patents reinstated by the German Patent Office which were classified as "secret" (*geheim*) by the former Reichspatentamt.

(c) Applications concerning matters referred to in Article 1 filed with the German Patent Office which have been subsequently withdrawn or have lapsed prior to examination as to form.

(d) Final decisions taken by the German Patent Office with respect to applications referred to in Articles 1 and 2.

Article 4

The abstracts (*Auszüge*) referred to in Articles 1 and 2 shall specify the dates, reference numbers, classifications and titles of applications, the names and addresses of the applicants, and, if available, the identifying numbers and dates of any research and production permits or notifications of research in the fields to which the applications relate.

The lists referred to in Article 3 shall include the dates, reference numbers, classifications and titles of the applications or patents concerned and the names and addresses of the applicants or owners.

Article 5

The Military Security Board may check patent applications periodically and without advance notice in order to determine whether the German patent authorities are carrying out their obligations under this law.

Article 6

If the publication of any patent application or any summary or abstract thereof would, in the opinion of the Military Security Board, be a serious threat to security, the president of the German Patent Office shall, either of his own notion or if so directed by the said board, withhold any publication of such application, summary or abstract, but the rights of the applicant in any invention covered thereby shall be protected in accordance with German law and such regulations as shall be issued hereunder.

Article 7

The German Patent Office shall regularly supply to the Military Security Board three copies of the official patent journal, of the printed specifications of any patent granted in respect of the matters specified in Article 1, and any other publications issued by the German Patent Office which the Military Security Board may request.

Article 8

Except otherwise provided in this law or in any regulations issued hereunder, all applications, reports and other data concerning any of the fields specified in or in accordance with Article 1 of this law shall be kept secret by all those, having knowledge thereof, including the occupation authorities, and may be used only for control purposes.

Law on Amendments to Banking and Currency Reform Legislation

The Council of the Allied High Commission enacts as follows:

Article 1

1. Sub-paragraphs (2) and (3) of paragraph 13 (d) of Article 3 of French Military Government Ordinance No. 203, or United States Military Government Law No. 60 (Revised), and of British Military Government Ordinance No. 129 (amended) are hereby amended to read as follows:—

"(2) Treasury bills, securities and registered debt (*Schuldbuchforderungen*) issued by the

Federal Republic of Germany, by the Bizonal Economic Administration, by any state within the area of competence of the member Land Central Banks or by the Territorial Legal Entity (*Gebietskoerperschaft*), of Greater Berlin within the area of competence of the Berlin Zentralbank.

"(3) Fixed-interest-bearing securities and registered debt (*Schuldbuchforderungen*) on which any member Land Central Bank or the Berlin Zentralbank has made advances or which it has acquired on the open market."

2. Paragraph 14 of Article 3 of the legislation specified in paragraph 1 of this article is hereby amended to read as follows:—

"14. The Bank may:—

(a) Serve as fiscal agent, without charge, for the government of the Federal Republic of Germany, including acceptance of deposits, purchase and sale of treasury bills, fixed-interest-bearing securities and registered debt (*Schuldbuchforderungen*) and provision of payment facilities and facilities for the safekeeping and custody of valuables and securities.

(b) Purchase and sell, in the open market, treasury bills issued by the Federal Republic of Germany or by the former Bizonal Economic Administration.

(c) Purchase and sell in the open market, fixed-interest-bearing securities and registered debt (*Schuldbuchforderungen*) of the Federal Republic of Germany or the former Bizonal Economic Administration.

(d) Grant to the Federal Republic of Germany advances and short-term credits. Advances, short-term credits and treasury bills of the federal government which the Bank Deutscher Laender has purchased for its own account or for which the Bank has given a discount promise, shall not in the aggregate (including past advances to the former Bizonal Economic Administration) exceed the amount of 1,000,000,000 Deutsche marks, unless the board of directors, by a decision of at least three-quarters of its members raises this limit to 1,500,000,000 Deutsche marks."

3 Sub-paragraph (b) of paragraph 15 of Article III of the legislation specified in paragraph 1 of this Article is hereby amended to read as follows:—

"(b) Subject to existing legislation, the bank may maintain accounts with foreign banks and may, for its own account or the account of others, acquire and dispose of foreign exchange (defined as means of payment and bills of exchange expressed in foreign currencies, prime bankers acceptances and treasury bills and balances with foreign banks), gold, silver and platinum. And the bank may, for its own account or the account of others, engage in transactions in foreign exchange, gold, silver and platinum, including the right to borrow and pledge the aforementioned valuables and to enter into forward foreign exchange contracts."

Article 2

Article XXVIII (Section XXVIII) of French Military Government Ordinance No. 160 and of United States and British Military Government Laws No. 63 (Conversion Law) is hereby amended to read as follows:—

"Article XXVIII

"Prohibition of Budgetary Deficits

"(I) Expenditure of public authorities must be covered by current income. The procurement of funds by means of credits shall be lawful only in anticipation of future revenues.

"(II) Notwithstanding the provisions of paragraph (I) above, any public authority may borrow money and issue bonds in suitable cases for productive purposes, if the amortization and payment of interest are provided for from funds of the ordinary budget.

"(III) The Allied High Commission reserves the right to intervene if the maintenance of those principles is imperiled."

Article 3

The German text of this law shall be the official text.

Article 4

This law shall become effective on Dec. 15, 1949.

Amendment No. 2 to HICOM Law No. 1

The Council of the Allied High Commission enacts as follows:

Article 1

The last sentence of Article 8-a, added to Law No. 1 by Law No. 11, is hereby amended to read as follows:—

"Notwithstanding the repeals herein contained the publication, whether before or after the effective date of this law, in any Military Government or Control Commission or other official gazette, of any legislation enacted before that date shall have the legal effect which it would have had if the legislation herein repealed were still in force."

Article 2

This Law shall be deemed to be effective as of Sept. 21, 1949.

Official Announcements

Life Insurance Program

A new life insurance program, provided by the War Agencies Employees Protective Association and paying up to \$21,000 in case of death, is now available to all US employees of the Office of the US High Commissioner for Germany.

Two categories of policies are offered: Employees earning less than \$3,200 per year may subscribe to a policy paying \$5,500 in case of death, plus an additional \$5,000 for accidental death making a total of \$10,500. The premium is \$6.25 monthly or \$75 yearly, payable in monthly quarterly or annual installments.

Employees earning \$3,200 and over are offered a policy paying \$11,000 in case of death, plus an accidental death benefit of \$10,000, making a total of \$21,000. Premiums are \$12.50 monthly or \$150 yearly, payable in monthly, quarterly or annual installments. All applicants are required to pay \$2 for membership fee in the association.

The employee is covered from the moment he signs his application form and has it countersigned by his HICOG personnel officer. No medical examination is required.

The War Agencies Employees Protective Association is a non-profit organization formed during the war to aid US government civilian employees serving outside the country. HICOG employees may continue their policies with the association as long as they are in federal service, either abroad or on return to the United States. They can convert the policy to ordinary insurance on leaving government service.

Full information and application forms are available in the Personnel Division, HICOG headquarters, Room 452, Frankfurt, and in the administrative offices of the HICOG state commissions.

Personal Purchases Program

The State Department Foreign Service "Personal Purchases Program" has been opened to US employees of the Office of the US High Commissioner for Germany, allowing them to order necessary supplies and com-

modities from US firms with discounts ranging from 10 to 40 percent.

The program, which is designed to serve US Foreign Service personnel all over the world, permits the purchase of a wide variety of items including food, household equipment, clothing and automobiles. Some purchases are made by mail directly with the manufacturer or wholesaler concerned, while others must be arranged through the State Department's Welfare Unit.

State Department catalogues, describing the items available, prices and the methods of ordering, have been requested from Washington and will be made available at all HICOG personnel offices in Germany in the near future.—from *ER&S announcement*.

Foreign Post Differential

Beginning with the Jan. 8—22 pay period, no HICOG employee in the category of "local staff personnel" will be paid the foreign post differential. Local staff employees are those US personnel who are not adequately representative of the United States for the purposes of the foreign service by virtue of long-term disassociation with American customs, thought and institutions or are resident at a post primarily for reasons other than their employment in the Foreign Service. The following are examples of local staff personnel:

- a. Wives of nationals of a foreign country.
- b. Wives of American employees of private industry or government who because of their husbands' business might reasonably be expected to remain at the post in question and to sever employment with the Foreign Service upon transfer of their husbands, or who would be available for transfer only to posts in an area to which their husbands are transferred.
- c. American citizens who have spent almost their entire lives outside the United States, have been educated in foreign schools, and have maintained few, if any, ties with the United States and whose attitude, speech and manner as a consequence are not, for the purpose of the Foreign Service, representative of the United States.

HICOG personnel falling in the category of "local staff personnel" will be notified by the Personnel Division as soon as a determination is made.—from *HICOG Daily Bulletin*.

Southwest State Report

There have been recent German press reports in which it is alleged that the French High Commissioner has officially made known his intention of opposing the formation of a southwest state.

The High Commissioners wish it to be known that "there is no justification for any statement to the effect that they have declared their attitude towards this question of the southwest state," either jointly or individually. Any proposal concerning the creation of such a state would require their approval, a fact which they have drawn to the federal chancellor's attention.—from *HICOG announcement*.

German Employees

The responsibility for the personnel administration of all German employees of the Office of the US High Commissioner for Germany will be transferred from European Command to HICOG effective March 1.

The administration of individual employee relations, services, placement and records of

German personnel at HICOG headquarters will be taken over by the Personnel Division from Frankfurt Military Post, while the state commission administrative offices will assume administration of their German employees under technical guidance of the HICOG Personnel Division from the local military posts.

Pay and leave administration of German personnel will continue to be handled by the military posts until this function also is taken over by HICOG between March 1 and June 1.

Preparatory to the transfer of responsibility, German personnel must submit new job applications for employment with HICOG, and those who have not recently or satisfactorily passed qualification tests for linguistic, typing, stenographic and certain other types of positions may be required to do so. Physical examination will also be required of those who have not had such an examination within the past year.

The total number of German personnel employed by HICOG will remain approximately the same, although there will be minor adjustments in the personnel strength of HICOG headquarters in Frankfurt and the state commissions.

In preparing to take over German personnel administration, the Personnel Division announced that it was HICOG's policy to insure that every German employee is treated fairly irrespective of sex or creed; that German employees are assigned to jobs for which they are best fitted and are given opportunities for advancement; that they are compensated equitably and given adequate recognition for superior service; that safe and healthy working conditions are provided; that they be fully informed of policies affecting their work and that they have ample opportunity to express themselves towards improving work methods and conditions or to prevent grievances.—from *HICOG announcement*.

Personal Data Sheet

Reference is made to question 21 on the Personal Data Sheet in connection with religious faith. An answer to this question is not obligatory. However, the purpose in asking question 21 is to facilitate the procurement of religious attention or benefits in the case of accident or death. In the event of death, for example, it is often essential, should an autopsy be required, to ascertain religious affiliation.—from *HICOG Daily Bulletin*.

Dealings in Foreign Exchange

The attention of all HICOG personnel is invited to FS Serial No. 276 and FS Serial No. 467 dealing with restrictions upon dealings in foreign exchange. A copy of the serials may be perused in the ER & S Branch. Particular attention is directed to the fact that US Treasury Department salary checks may be cashed at authorized banking establishments. Decisive disciplinary measures, including dismissal, will be taken in the cases of persons found to be engaging in independent exchange transactions of an unauthorized and unreported character.—from *HICOG Daily Bulletin*.

Restitution of Property

The Office of the US High Commissioner for Germany issued Dec. 19 a statement to correct possible misunderstanding, based on publicity appearing in the German press concerning the attitude of the American authorities toward the law for restitution of identifiable property within Germany to Nazi victims.

It is the firm policy of the US government to carry out fully its program to insure, to the largest extent possible, the speedy restitution of identifiable property to persons who were wrongfully deprived of such property between 1933 and 1945 for reasons of race, religion, nationality, ideology or political opposition to National Socialism.

It is the intention of the US authorities to insure and protect the rights given Nazi victims under Military Government Law No. 59, and it is emphasized that no changes in the restitution legislation would be considered which might materially and adversely affect those rights.

Although the magnitude of the task of effecting restitution has necessitated the establishment of legislative and administrative procedures and organization since the inception of the Restitution Law, the framework has now been completed, and in fact, restitution has in many cases already been made, and the program is steadily going forward.—from *HICOG press release*.

Flying of German Flag

Units of the US occupation forces are authorized to fly the flag of the German Federal Republic or appropriate local (state or city) flags together with US and Allied flags, in accordance with established rules of procedure on appropriate occasions such as GYA or other sports where invited German guests are present or the German public is admitted. Such flags are not available for issue, but must be obtained locally, on loan, from German sources.—from *EUCOM Weekly Directive No. 49*.

Communications Powers

New responsibilities and authority have been vested in the Federal Republic of Germany concerning domestic and international posts, telegraphs and telecommunications. Notification of the decision was made to the federal government Dec. 21. Transfer of responsibilities was effective as of Dec. 15.

By the transfer, authority is granted to the federal government to conduct all international postal, postal financial, telephone and telegraph negotiations and operations for the German civil population without prior Allied High Commission approval except for certain reserved fields. These reserved matters include the establishment of new radio circuits, the allocation or clearance of radio frequencies, the establishment of new international agreements, services or procedures involving the expenditure of foreign exchange and membership of the major international communications organizations.

Authority is also granted to the federal government to conduct all internal communications matters except establishment or expansion of postal financial services or services involving settlements in foreign exchange between the US, UK and French areas of control and the Soviet area of control.

The German government also is authorized to exercise its new responsibilities on behalf of the *magistrat* of Greater Berlin.

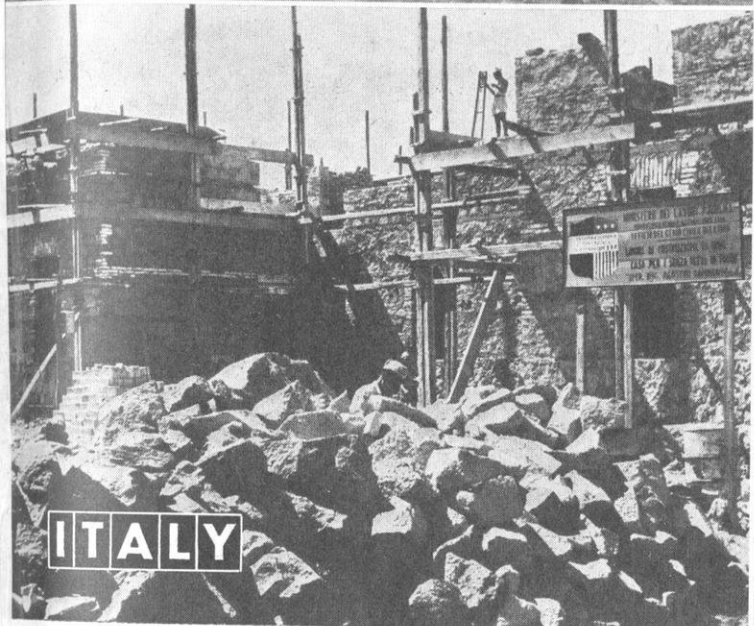
Previously the German postal administration has sent observers to international conferences on posts and telecommunications to assist and work with Allied representatives. Under its new powers the Federal Government will send official representatives to such meetings with power to initiate consultation.—from *HICOG announcement*.



GREECE



NORWAY



ITALY



TRIESTE

Housing for Europe's People

In Greece \$25,000,000 has gone into a program to provide homes for 30,000 families. Finnmark, northern Norway's iron ore district, lost 12,000 homes during the war: one third are being replaced. Italy is using \$26,000,000 to help finance its seven-year "Fanfani Plan," which calls for construction of 903,000 rooms. In Trieste 1,143 new apartments of the modern block type pictured are being built while 23,572 other homes are being repaired. In England 239,435 housing units were completed between April 1948 and April 1949 and additional housing is constantly being added. New, well planned apartment blocks, with community services, playgrounds for children and spacious lawns are springing up out of the ruins that covered the industrial areas in 1945—all with the help of American aid via ECA.



ENGLAND

FEBRUARY

S		5	12	19	26
M		6	13	20	27
T		7	14	21	28
W	1	8	15	22	
T	2	9	16	23	
F	3	10	17	24	
S	4	11	18	25	