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# MILITARY GOVERNMENT

# NUMBER 123 / 15 DECEMBER 1947

DEFENDANT KRUPP

# **INFORMATION BULLETIN**



# MILITARY GOVERNMENT

# WEEKLY INFORMATION BULLETIN

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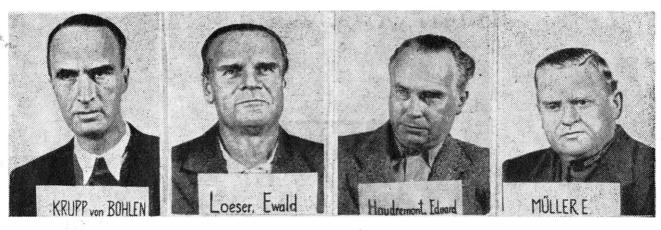
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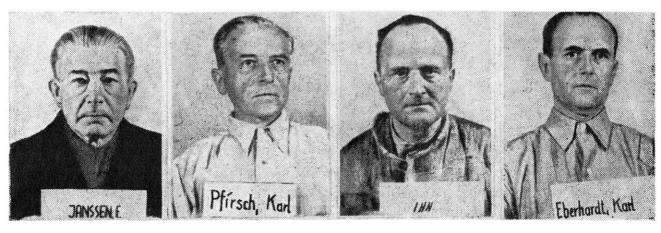
DEFENDANT KRUPP—During a session in court at Nuremberg, Alired Krupp von Bohlen und Halbach talks with Capt. Samuel H. Binder, US prison operation officer. On the right is co-defendant Ewald Loeser. An account of the operations of the Krupp munitions organization to instigate and bolster a war of aggression begins on page 3.

(Photo from PIO, OCCWC)

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



# These Twelve Must Answer



# For Part in Originating War

Photos from DENA-BILD







### By Eugene Philips

Deputy PIO, OCCWC

**K** EY EXECUTIVES of the once mighty munitions firm of Friedrich Krupp stand before the bar of justice this month to face charges of war crimes and crimes against humanity, in the third Nuremberg case against German industrialists who helped Hitler along the road to war.

The indictment in the Krupp case accuses the 12 defendants of synchronizing Krupp activities with the German government in its plans and preparations for invasions and wars. The indictment describes Krupp's assistance as indispensable to Hitler's plans of aggression.

For 133 years, the machinery of death has been the business of the Essen firm of Krupp. Much of the artillery which has thundered on the battlefields of Europe for the past century has borne that name on the breech lock. The Krupp line began modestly with the hand manufacture of small firearms, and progressed to such instruments of destruction as large caliber artillery, submarines, warships, and high explosives.

In 1943, Hitler passed the "Lex Krupp," a special decree establishing the vast munitions combine as "a family enterprise" by way of reward to the Krupp firm for its "incom(above) The justices hearing the Krupp case are, left to right, Judge Edward J. Daly, Presiding Judge H. C. Anderson, and Judge William J. Wilkins. (below) Members of the US prosecution staff are, left to right, Cecilia Goetz, Joseph W. Kaufman, and Russel Thayer. (Photos from PIO, OCCWC)



parable efforts to boost German's military potential."

But Krupp was not always so patriotic. Only after World War I did the firm restrict its sales to the German government. Four generations of Krupp before 1933 liked nothing better than to sell armaments to both sides in the struggles of Europe.

HE DUPLICITY of the house of Krupp is illustrated by an incident from the first World War. Krupp had before that war an agreement with the British firm of Vickers-Armstrong, Ltd., regarding certain royalties on a Krupp-patented fuse. Throughout the war, Vickers set aside a debit of 26 cents (one shilling and three pence) for each fuse, as a royalty to Krupp. After the war the German firm brazenly demanded settlement of the account through government channels. There is no way of determining the exact number of German' soldiers who fell victim to the effective explosive mechanism, but Krupp computed its amount due as RM 120,000,000 roughly 60 marks for each of the two million dead German soldiers.

This huge sum was over and above the RM 800,000,000 of war profits which Krupp reaped from the carnage of 1914—18.

In the slim years following the first World War, Krupp profits were meager. Gone were the lush armaments contracts which under the emperor had proved so profitable. The then-functioning Allied Control Commission forbade the manufacture of any munitions in Germany.

Krupp embarked upon seemingly peaceful pursuits. A flood of peacetime goods—cash registers, padlocks, tractors, automobiles—rolled from the giant Essen plant that once had turned out cannon, but even in the midst of defeat the Krupp concern began to prepare for eventual war. Then began the "battle to strengthen Germany to rise."

**D** URING THE TRIAL the prosecution will seek to prove that hidden laboratories were constructed where Krupp engineers secretly experimented in the technique of armament production, and that Krupp concealed its activities by establishing "dummy" corporations in Holland and other countries in which it camouflaged its war research through the manufacture of various civilian products.

It will be alleged that experimental projects were farmed out in Turkey, Italy, and Soviet Russia and a secretly constructed submarine was tested in Spain, and that during the years

The house of Krupp, gunmakers to Bismarck, Kaiser Wilhelm, and Hitler, has been called to account.

Thus wrote Eugene Philips in summing up his discriptive article on the rise of the munitions firm of Essen and its activities causing it to be brought before a court of, justice. The material was gleamed from the files made available by the staff of the Office of Chief of Counsel for War Crimes at Nuremberg.

Mr. Philips is deputy public information officer on the staff of the OCCWC.

A graduate of the University of Georgia, he worked on Georgia newspapers including the Athens Banner Herald and Atlanta Journal. During the war, he served with the Third Cavalary Reconnaissance Troop, Mechanized, in North Africa, Sicily, and Italy. Later he was a public relations officer at the Third US Army headquarters and with the 12th Army Group.

Before returning to Germany to take his present post, he was a feature writer for the Milwaukee Journal, and news editor of the New Orleans bureau of the Associated Press.

1918—20 naval rearmament was secretly carried out.

In 1921, through an arrangement with Reichchancellor Joseph Wirth, who doubled as finance minister, RM 10 million were secretly made available for the "maintenance of armament technique." Subsequent artillery designs were based on the research during this period. The prosecution will introduce documents which, they say, will reveal Krupp's clandestine operations during these years. Gustav Krupp, who was the firm's directing head until 1943, told how he hoodwinked the previous Allied Control Commission in an article in the Krupp magazine published in March 1942, and stated: "I knew German history well, and out of my experiences in the rest of the world I believed I knew the German mind; therefore I never doubted that, although for the time being all indications were against it, one day a change would come. How, I never knew, or asked, but I believed in it.

"But with this knowledge-and today I may speak about these things, as responsible head of the Krupp works-consequences of the greatest importance had to be risked. If Germany should ever be reborn, if it should shake off the chains of Versailles one day, the Krupp concern had to be prepared again. Without arousing any commotion the necessary measures and preparation were undertaken. Thus, to the surprise of many people, Krupp began to manufacture goods which really appeared unlike the former work of an armament plant.

"Even the Allied snooping commission was duped.

"After the accession to power of Adolf Hitler I had the satisfaction of being able to report to the Fuehrer that Krupp stood ready after a short warming-up period to begin the rearmament of the German people without any gaps of experience."

**H**OWEVER, Gustav Krupp, who made the report, is not in the dock at Nuremberg. Old, senile, and sick, he cannot stand trial. Proceedings against him were suspended. Nor is Gustav's wife Bertha, former owner of the Krupp works, to be tried. The only member of the Krupp dynasty who will actually answer for the acts of the firm is Alfried Krupp von Bohlen und Halbach, sole owner, and directing head of the company since 1943.

Other defendants include Ewald Oskar Loeser, Eduard Houdrement, Erich Mueller, Friedrich Janssen, Karl Pfirsch, Max Ihn, Karl Eberhardt, Heinrich Korschan, Friedrich von Buelow, Werner Lehmann, and Hans Kupke. All were directors of the huge Krupp combine, and held influential



positions in the political, financial, and economic life of Germany. All of the defendants except von Buelow and Loeser were members of the Nazi party.

They were indicted last August on four counts. The charges include, specifically, planning and waging wars of aggression, plundering property in Nazi-overrun countries, exploitation of slave labor, and abuse of prisoners of war and foreign nationals. The "crimes against peace," which constitute count one, include the invasions of Austria, Czechoslovakia, Poland, Denmark, Norway, Belgium, the Netherlands, Luxembourg, Yugoslavia, Greece, and the USSR, and the declaration of war against the United States on 11 December 1941.

"In these invasions and wars," the indictment charges, "many millions of people were murdered, tortured, starved, enslaved, and robbed. Countless numbers became diseased; millions of homes were left in ruins; tremendous industrial capacity capable of feeding millions of people was laid General view of the Nuremberg court room during the arraignment of the Krupp defendants in August. At the upper right are the judges. In front of the bench are the court reporters and members of the Office of the Secretary General. At the far left are the defendants while in front of the dock are their counsels. At the upper left are the interpreters. In the foreground are members of the prosecution staff. In the center is the interrogator's stand, while at the upper center is the box for the witness or defendant during questioning.

(Photo from PIO, OCCWC)

in waste, and a large part of the world was left in economic and political chaos, and the lives and happiness of two billion people were adversely affected."

**A**LSO CITED in the count of "crimes against the peace" are the systematic violations by Krupp of the restrictions imposed by the Versailles treaty—openly boasted about by Gustav Krupp—and the Krupp firm's contribution to the Nazi party of Adolf Hitler. The prosecution charges that Krupp used its name, prestige, and financial resources to bring the NSDAP into power because the Nazi party's program coincided with its own aspirations. The Krupp family and firm were not admirers of Adolf Hitler from the beginning. Until 1938 the man who became the Fuehrer of Germany was regarded as something of a guttersnipe, and far too radical, but Krupp was willing at all times to support any movement which might restore Germany to her old prominence.

A speech by Hitler on 20 February 1933 in which he set forth his political aims so impressed Gustav Krupp that he initiated a collection of RM 3,000,000 from industrialists, with a pledge of an additional RM 1,000,000 from the Ruhr. From 1933 to 1939 Krupp contributed RM 12,000,000 (then valued at \$4,000,000), in support of Hitler, concurred in Hitler's four-year plan to prepare Germany for war, Gustav Krupp, volunteered to organize German industry on the Fuehrer principal and accepted the title President of the Federation of German Industries and Leader of Economy. Much of this responsibility evolved upon Alfried Krupp when he succeeded his father in the Krupp management.

**F**ROM THE FORGES at Essen and other Krupp plants came the principal supply of offensive weapons. Krupp shipyards were turning out U-boats at the rate of one a month as early as 1939 and work on battleships, cruisers, and an aircraft carrier was under way. It was Krupp who armed the Bismarck, Tirpitz, Admiral Graf Spee, and the Deutschland. The firm turned its talents also to other prime requisities of war and began the manufacture of synthetic gasoline.

Krupp rapidly expanded all of its plants, built many new ones, and by 1939 had increased the number of its employees from 35,000 to 112,000, all for a publicly-proclaimed policy of aggression. These preparations could hardly be termed defensive, as Germany had not been attacked, as was the United States on 7 December 1941, when American industrialists were called upon to produce war implements for the national defense. Krupp led the way to war presumably because war meant huge profits such as no peacetime production could ever achieve.

How did the Krupp firm and its directors profit from the aggressions of Hitler? The prosecution expects to show that from a deficit in 1932, Krupp profits rose to RM 57 million. The book value of the firm rose in the same period from RM 170,592,000 to RM 513,824,000. Prosecution documents show that spoliation of industries in other countries accounts for much of this increase in Krupp assets.

**T**HE INDICTMENT against Krupp states: "In consequence of deliberate design and policy the territories occupied by Germany in the course of its aggressive wars were exploited in a ruthless way far beyond the needs of the army of occupation, and in disregard for the needs of the local economy." Krupp's actions in conquered countries fitted into the Nazi aim of strengthening Germany at the expense of defeated nations, to insure German economic domination in Europe.

Testimony is to be introduced to demonstrate that, through deals negotiated under duress, Krupp gobbled up Wolfram mines and factories in France and machinery and raw materials from Belgium, Austria, Yugoslavia, and Greece. Soviet resources were ruthlessly exploited when the Wehrmacht invaded Russia.

A question often asked in connection with the trial of German industrialists at Nuremberg is: "What did they, the Krupp defendants, particularly do which American industrialists did not do, in supporting our own war effort?" The indictment itself answers that question:

"Prisoners of war were assigned to work directly related to war operations, including work in armament factories," this in clear violation of the Geneva convention.

"The defendants sought out, requested, and recruited foreign workers, prisoners of war, and concentration camp inmates from the Third Reich and satellite government ministries . . . Krupp employed over 55,000 foreign workers, over 18,000 prisoners of war, and over 5,000 concentration camp inmates."

Prisoners of war and concentration camp inmates were exploited under inhumane conditions and subjected to atrocities, ill treatment, and offenses against their persons.

"Repressive measures were used to force workers to enter into and remain in involuntary servitude.

"Penalties, torture, and abuse, including cruel beatings, were often inflicted by persons under the supervision and control of the defendants. The defendant von Buelow encouraged brutality by publicly commending a guard for killing a Russian prisoner of war for attempting to pick up bread while clearing rubble of the Krupp bakery in Essen ...."

**T** IS FOR these things that Alfried Krupp von Bohlen und Halbach and his 11 associates stand before the international bar of justice at Nuremberg.

In the effort to convict them, a staff headed by Joseph W. Kaufman,

US deputy chief of counsel for the Krupp case, has searched 10,000 documents for evidence. Approximately 1,000 of the documents are to be offered in evidence to prove that the Krupp defendants supported the German war effort, not as patriotic business men, but as conspirators in a ruthless scheme of conquest longantedating Hitler.

The house of Krupp, gunmakers to Bismarck, Kaiser Wilhelm, and Hitler, has been called to account.

# Border Check Ordered

Effective 1 December, German border police of the US Zone will require proper identification of all persons, including members of the US and Allied occupational forces, crossing the borders of the Zone by foot, rail, or vehicle, the Public Safety Branch, IA&C Division, OMGUS, announced.

Indigenous personnel driving US or Allied vehicles must produce proof that the trip is authorized by military authorities before German border police will allow them to pass in or out of the US Zone.

To forestall the unauthorized use of military vehicles and the possible theft of US Government property, passengers of US and Allied vehicles who do not properly identify themselves at designated border stops as members of the occupational forces or show proper authority for crossing the border will be detained by German police and turned over to the nearest Constabulary unit.

Persons properly identified as US or Allied occupation personnel will be permitted to cross the border. If the crossing takes place at an unauthorized point, the incident will be reported to proper military authorities.

It is believed that this action will minimize illegal border crossings, black market activities and stolen vehicle incidents occurring in the US Zone.

#### **Drought Spurs Slaughter**

The recent drought in Germany resulted in shortages of forage for livestock and made it necessary to slaughter many animals in the US Zone.

# FREEDOM versus TOTALITARIANISM

#### The Labor Unions

**O**NE OF THE fundamental rights of men and women in a democracy is freedom of association. Of all the types of association, the most vital, economically, to the largest number of people is that which binds men one to another into craft or industrial unions. This right of free association into craft or industrial unions is the expression of the individual's right to control and direct his own life and work.

Under the conditions of modern society, where men must work together at ever larger tasks and in ever larger and more complicated groupings of machines and materials, the individual binds himself to other like-minded men so that his rights may be protected and, when necessary, firmly asserted.

The union is the basis of his freedom, for it is the means by which he guards his individuality and the returns and satisfaction he receives from his labor and from living itself....

Fundamentally, trade unions were conceived as voluntary associations of economically-related workers, united for the purpose of achieving collectively a fair share of the national income.

In any society a variety of forces battle shares of the national income. The principal forces are the state, which requires taxes, the employers, who want profits, and the workers, who want as high a standard of living as it is possible to get. Under a totalitarian system private employers are eliminated or suborned, and the state as the employer gets the profits of industry and trade. Theoretically, therefore, the state ought to

#### **By Leo Werts**

Director, Manpower Division

collect less taxes and the workers ought to get a higher standard of living.

**B** UT THIS has never yet happened under a totalitarian government, because the costs of maintaining the bureaucracy and police necessary for the coercion and intimidation of the

The place of labor unions in a free society and the power they may possess when organized and fostered on principles of democray to create and enlarge the possibilities of human life for peace and wellbeing among men were discussed by Mr. Werts in a radio broadcast to the German people on 4 December in the MG series on Freedom vs. Totalitarianism.

Mr. Werts has been with the Manpower Division, OMGUS, since 1945, successively as chief of the Manpower Allocations Branch, deputy director, and director. A native of Ohio, he studied at George Williams College, Chicago, and the University of Chicago for a professional career in YMCA and group work agencies. Between 1941 and 1945, he was with federal labor supply agencies in Washington, including OPM, WPB, and the War Manpower Commission. Previously he had been with the Illinois Emergency Relief Agency and the Illinois Employment Service.

worker rise in an exact relationship to the diminishment and exhaustion of the worker's power to produce. The standard of living declines; the cost and insatiable demands of the state constantly rise. Industrial serfdom is the result.

Workers in the United States and workers all over the world hate slave labor. A resolution recently passed by the annual convention of the American Federation of Labor, one of the largest trade union federations in the United States, affords an excellent example of this feeling among American workers. In the strongest terms the federation urged the US Government to strive for the release of prisoners of war in all countries.

**T**N DEMOCRACIES organized labor performs a basic role in the development of the society. By negotiation, by conciliation and arbitration, and by strikes if necessary, working people united in trade unions have a decisive influence on how large a share of the national income labor shall receive at any given time.

More than that, organized labor has a voice in the whole political and economic development of a democratic society. Organized labor has a voice because it is the voice of the people themselves. Because labor is basic to the welfare of the society and so recognized, it speaks with authority on foreign affairs, on export and import policies, and on questions of war and peace. Democratic trade unions have true co-determination in every vital action of the state.

The far-flung tasks of trade unions cannot be fulfilled except in a democracy. Nor can the individual worker (Continued on Page 14)

# Free Press Joins Fight for Freedom

**B** ARLIER hesitancy of many editors of the licensed German newspapers in the US Zone to support the new Military Government information program was replaced late in November by an attitude of marked cooperation. Most editors exercised intelligent restraint in selection and handling of inplementing material, according to a survey by Information Control Division, OMGUS.

The policy of the US Military Government has been constantly emphasized that any action by the German press in this program is solely on each newspaper's own initiative, and no effort is made by any MG official to enlist or direct the German informational media, other than those officially conducted and controlled by Military Government, to participate in this program of exposing Communistic tactics by speaking openly of the truth and facts about the American conception of democracy.

Die Neue Zeitung, official Germanlanguage newspaper of US Military Government, has carried to date four major articles: (1) a piece on the 30th anniversary of the October Revolution in Russia; (2) detailed handling of Col. Gordon E. Textor's radio address; (3) an editorial on the new policy; and (4) a full page on conditions in the Soviet Zone.

The file of DENA, licensed German news agency in the US Zone, has included all available material from MG sources and from two world news agencies with which it has working agreements. The MG overt radio broadcast, filed by DENA, received very little play in the press. These radio broadcasts included the *Freedom* vs. *Totalitarianism* series.

The Giessener Freie Presse (Giessen, Hesse) emphasized the crucial importance of the conflict between the East and West, especially if the London Conference of Foreign Ministers should not reach an agreement, and tried to explain why the press of the US Zone, in contrast to the US-licensed Berlin papers, has remained more or less neutral in the ideological struggle. The paper ended by disavowing earlier doubts about the new policy and stating in effect that from now on it intends to support the antitotalitarian information program.

"The new campaign was personally announced by the head of US Military Government, General Clay. Because of the unhappy use of the term 'propaganda' it was deemed from the beginning to awaken no small measure of distrust. The time when another propaganda replaced objective news reporting was still too close in our memory. However, few Germans evidently understood the fundamental difference between this and Nazi propaganda...

"Instead of suppressing facts, the campaign will simply publish the truth about actual conditions in the East from which the reader may form his own opinion. The deceptive expression 'propaganda' would better have been omitted at the start, because it has nothing to do with the actual situation. The United States is using, in our opinion, only fair weapons when it permits news agencies to give candid pictures of the territories 'Behind the Iron Curtain' ... It is nothing but an answer to the longcontinued campaign from the other side."

The Passsauer Neue Presse (Passau, Bavaria) carried about 2,200 words of a report on life in Russia taken from the American magazine *Red Book*. The emphasis was on the power of the secret police and total lack of freedom of the individual.

The **Passauer Neue Presse** also carried a news agency story on "Methods of the UB," Mikolajzyk's report on police-state conditions in Poland. The Polish UB is organized along lines similar to the NKVD.

The Nuernberger Nachrichten (Nuremberg, Bavaria) contrasted the treatment of German PWs in Russia with those who are still in France and England:

"Up to the present day it has been impossible to know exactly how many PW's are in Russia and how many are still alive. Those who return from the East are in bad shape... We are objective enough to admit that the Nazis devastated Russia more than any other country... But this does not excuse everything, above all the terrible uncertainty concerning the fate of individuals..."

The Fraenkische Landeszeitung (Ansbach, Bavaria) pointed out that, according to the annual report of the Central Traffic Administration of the Soviet Zone, since 1945 more than 7,000 kilometers of railroad tracks have been dismantled:

"Yet the Moscow weekly New Time declares that the Soviets are not trying to deindustrialize Germany and calls the facts published in the newspapers, concerning dismantling in the Soviet Zone, a campaign of lies and 'a blind carried out on order of their British and American masters."

The Wiesbadener Kurier (Wiesbaden, Hesse) printed a feature story headlined "East Zone On Way To Kolchos" (Collective Farms).

The Neue Wuerttembergische Zeitung (Goeppingen, Wuerttemberg-Baden) called the news report about the coming construction of steel works in Brandenburg and Saxony sensational. The steel works in Riesa, Saxony, for which blueprints have been completed, provide for an annual capacity of 250,000 tons of steel. The paper commented:

"The building of steel mills in the Soviet Zone is a last step in the direction of creating autarchy and making the division of Germany a *fait accompli*... To a land reform after foreign pattern, to lawless expropriation in industry, to the creation of a foreign collectivistic economic system, now the emancipation of the Soviet Zone from Western iron is being added....

"It is well-known that Soviet Russia needs to import for many years considerable quantities of consumer goods from abroad. The large-scale trade agreements with Poland, Czechoslo-

(Continued on Page 15)

# **GERMAN REACTIONS**

# Need for Unity Stressed

WITH THE OPENING of the conference of the Foreign Ministers Council in London, the licensed newspapers of the US Zone continued their editorial plea for the unity of Germany but, at the same time, expressed little confidence in its achievement.

The Stuttgarter Zeitung (Stuttgart) called it paradoxical that the announced intentions of the Allies fundamentally coincide with Germany's chief interest in London—namely, restoration of her unity—and that this objective "just now appears definitely lost." It said:

"The military occupation, which originally was necessary and justified, has caused Germany to be split up in different zones of occupation that increasingly partake of the character not only of power-political, but of military spheres of influence. If the Allies really want to come closer to their announced aim, the situation in regard to the occupation has to be changed at the latest with the conclusion of peace .... What can be more obvious than that the United Nations with the troops that it is to have according to its own constitution should take over such occupation of Germany as may still be necessary?"

The Sueddeutsche Zeitung (Munich) expected a harsh treaty and recalled "the experience resulting from the signing of the Versailles Treaty."

"The older ones among us remember too well the campaign of incitement against 'signers of the treaty of shame' and against the 'fulfillment policy of the Weimar Republic,' not to fear repetition...."

"There is the danger that the expelled Germans will blame not Hitler but the democratic government which confirms the Oder-Neisse line through its signature, and that the hungry and freezing will regard not National Socialism as the author of their distress but the democratic government that pledges Germany to restitution through its signature."

"Thus a formula for drawing up the peace should be found which does not sell out the reconciliatory elements in Germany to that cheap nationalistic agitation with its distortion of cause and effect."

The Passauer Neue Presse (Passau): "The foreign ministers of the Big Four have gathered in London. What did not succeed in Moscow at the last meeting is to be attacked this time: peace is to be made with Germany. While we write this sentence, we hesitate: perhaps there is really only one possibility left, that the four foreign ministers first make their own peace and then peace with Germany. The Germans need the reality of a victors' agreement."

Discussing the possibility of erection of a western German state should London fail, the editorial expressed the belief that "such a regulation (of the German problem) would—and there is no doubt about it—be regarded by the German people as a great national misfortune. Only when we are no longer the bone of contention between the East and West can it go better for Germany and the German people."

The Main-Echo (Aschaffenburg) compared the relative optimism with which the statesmen assembled in

### **Editor's Note**

This section is devoted to authentic translations of editorials and reports in the German press. The publishing of these translations is intended to inform the readers among the occupational forces of what the Germans are writing and thinking, and not necessarily to give any concurrence to their views and opinions. Moscow last March with the disillusioned gloom-enveloping beginnings at London. It found that the chasm between the East and West has meanwhile widened, and that events in France and Italy foretell chaos in Europe in case Germany is not restored. The editorial continued:

"What we Germans want above all is unity and freedom. But not unity at the cost of freedom. We don't want to see the Iron Curtain pushed still farther west.... On both sides of this curtain one talks of democracy. But the interpretation of this concept is very different."

"At Moscow a clarification was tried. But when (US Secretary of State) Marshall explained the American idea (Soviet Foreign Minister) Molotov merely remarked that he was not prepared to discuss definitions of democracy. However, small everyday events speak a clearer language than all theoretical explanations."

#### **Honesty and Sincerity Urged**

The Fraenkische Nachrichten (Tauberbischofsheim) criticized German food officials and called for honesty and sincerity as a prerequisite for American help:

"It was proved that German official figures concerning the potato supply did not agree with the facts... The Bipartite Control Office has now been forced to call the attention of the food office to the fact that German fat production has gone down to an extent which leads to suspicion that the product is not being thoroughly collected and distributed...

"We ourselves are to blame for our distress, and we cannot expect our creditors to set us on our feet as long as we fail to do our utmost to save ourselves... There are daily newspaper reports on corruption, counterfeiting of food cards, and black market. These are the signs of deficient public order which are not overlooked in foreign countries..."

# Economíc Sítuation Occupied Germany

#### Part 4 — The Soviet Zone

THE SOVIET ZONE has one outstanding advantage over the other three zones: its agricultural potential is approximately sufficient to take care of its own food requirements. It does not, therefore, have to develop exports of anything like the magnitude which the Bizonal Area must provide to achieve self-support.

The principal economic deficiency of the Soviet Zone is its almost complete lack of hard coal mines and steel-making facilities; however, it has about three-quarters of occupied Germany's brown coal resources. In common with the rest of Germany, it must also import a large share of the basic raw materials, such as textile fibers, non-ferrous ores and metals, and petroleum, which are needed to keep its industry operating. The total value of the imports needed by the zone to sustain its economy, however, would probably be no more than about \$300,000,000 annually (current prices) as contrasted with approximately \$2,000,000,000 required for the Bizonal Area.

Because of the presence of extensive brown coal fields and nonmetallic mineral deposits, the zone has within its borders some of Germany's largest multiple-purpose chemical plants. The main center of the German optical industry is also located within the zone, at Jena. In 1936 the area of the present zone led what are now the other occupation zones in the output of glass, ceramics, optical and precision instruments, metal goods, jewelry, pulp, paper, paper products, printed matter, and textiles. The production of machinery was almost as great in the Soviet Zone as in the British Zone.

The changes brought about immediately before the war by the development of synthetic industries and the dispersal during the war of industrial concentrations did not modify basically the composition of industry in the Soviet Zone. However, its 1936—44 increase in production of iron and steel manufactures, chemicals, and electrical equipment was greater than the national average.

ON THE BASIC of the data submitted through the Economics Directorate for the Moscow Conference, it is estimated that physical production in the Soviet Zone during the last half of 1946 approximated 45 percent of the 1936 level—about the same rate as that in the US Zone. In terms of Reichsmark value, unofficial reports place gross Soviet Zone production, excluding mining, utilities, food processing, and construction, at approximately the following rates:

1945	Million RM	Pct. of 1936
4th Q 1946	65 <b>0</b>	26
1st Q	1,150	46
2nd Q	1,250	50
3rd Q	1,500	61
4th Q	1,650 ,	66

For the US Zone, including the output of its mines, the comparable ratios for the third and fourth quarters of 1946 are 67 and 68 percent, respectively. As part of the Soviet Zone's production is understood to be reThis is the fourth of a series of six articles taken from "EconomicData on Potsdam Germany," a special report of the Military Governor prepared by the Economics Division, OMGUS. Requests for the 90-page booklet may be referred to the Reports Branch, Control Office, OMGUS.

ported on the basis of 1944 prices rather than current values, and as mining production in the Soviet Zone is above the average for other industries, these figures are not inconsistent with the estimate that, in the last half of 1946, physical production in the two zones was at about the same proportion of prewar.

As current data on industrial production in the Soviet Zone are submitted for certain specific items only, such as solid fuels, steel, and fertilizers, it is not possible to assess with any degree of accuracy developments during the first half of 1947. Indications are, however, that the winter recession which occurred in the Combined Area during the first guarter of 1947 was equally sharp in the Soviet Zone. The drop in production, estimated at over one-third of the 1946 peak, is believed to have been particularly severe in the optical and precision instruments, textiles, and building materials groups.

It is also indicated that the second quarter of 1947 showed substantial recovery in all industry groups but that further progress is predicated, as it is for all of Germany, on adequate supplies of raw materials, on transportation, and, to a lesser extent, for this zone than for the western zones, on solid fuels and food.

**P**OSTWAR COAL production in the Soviet Zone recovered very rapidly, and in the last half of 1946 was approximately at the 1936 level, accounting for about two-thirds of the brown coal production of occupied Germany. This degree of recovery, attained despite a shortage of steel cables, conveyor belts, and special equipment, was not maintained during the first six months of 1947. Production of raw brown coal during the latter period totaled only 48,726,000 tons as against 56,109,000 tons for the last half of 1946—a reduction of 13 percent, reflecting the shutting down of some mines following dismantling or cannibalization. Ore production generally, while showing substantial improvement from its virtual standstill during the last half of 1945, remains at a low level. However, considerable activity has been reported recently in the mining of uranium ores in the Erzgebirge.

As in all zones other than the US Zone, production of steel in the Soviet Zone has lagged. In the second half of 1946, ingot output amounted to less than 15 percent of the 1936 level and to about 73 percent of the production limits established under the 1946 Quadripartite Level of Industry Plan. Production declined further in the first guarter of 1947, when ingot steel output, excluding castings, totaled 46,600 tons against a peak of 54,200 tons for the last quarter of 1946. With the exception of secondary aluminum, production and processing of non-ferrous metals also remained low, despite measures to utilize scrap as much as possible.

OUTPUT OF the machinery and optics industries late in 1946 was about 45 percent of the prewar level —the average rate for all industry in the Soviet Zone. Optical and precision instruments and electrical equipment made a relatively better showing than other machinery, for which, however, the established quadripartite level is much lower.

In the last three months of 1946 the following percentages of the 1949 Quadripartite Level of Industry output were achieved for major branches of the industry: Heavy engineering, 59; light engineering, 91; machine tools, 144; optical and precision instruments, 60; electrical equipment, 69.

The poor year-end showing of optical and precision instruments— 60 percent of the established level for the last quarter, as against a 99 percent average for the year—was due in large part to the dismantling of the Carl Zeiss plant, at Jena, and of its subsidiary, Schott & Genossen. It has recently been reported that both of these plants are being reconstructed and that they are to resume production in the near future.

### Output of Selected Products for Soviet Zone 1938 Production and 1949 Target Compared with 1946 Production

Product  Unit    Solid Fuels  Million Tons    Hard Coal  ","    Brown Coal  ","    Ore Mining  Thousand Tons    Copper Ore  ","    Fluorspar  ","	1938 3.5 134.4 600.0 1.153.0	1946 2.5 109.0	of 1938 72 81
Hard Coal Million Tons Brown Coal , , , Dre Mining Iron Ore Thousand Tons Copper Ore , , , , Fluorspar , , , ,	134. <b>4</b> 600.0		
Brown Coal ,, ,, ,, ,, ,, ,, ,, ,, ,, ,, ,,	134. <b>4</b> 600.0		
Brown Coal ,, ,, ,, ,, ,, ,, ,, ,, ,, ,, ,,	134. <b>4</b> 600.0		
Dre Mining	600.0	109.0	
Iron Ore Thousand Tons Copper Ore " " Fluorspar			
Copper Ore			
Fluorspar	1.153.0	235.7	39
Fluorspar		281.0	24
	58.0	13.8	24
Potassium Salts	1,300.0	646.7	50
	Target 1949	Production 1946	1946 as Percer of 1949
fetallurgical			
Ingot Steel	390.0	168.5	43
Cast Iron	230.0	168.5	43
Rolled Steel	320.0	120.7	38
Refined Copper	59.6	18.5	31
Aluminum	13.4	17.5	130
Refined Lead	10.6	6.6	62
Rolled Non-Ferrous Metals	81.2	39.8	49
fachinery and Optics		0000	
Heavy Machinery Million RM	74.7	41.3	55
Machine Tool Construction	17.0	24.2	142
Light Machinery	282.7	231.9	82
Optical & Precision			
Instruments ,, ,,	130.0	128.9	99
Electrical Equipment ,, ,,	373.7	250.3	67
hemicals			
Synthetic Fuels Thousand Tons	500.0	234.0	47
" Rubber	60.0	24.0	40
" Ammonia	147.0	73.9	50
Basic Chemicals Million RM	68.5	35.2	51
Miscellaneous Chemicals ,, ,,	314.0	137,0	44
Pharmaceuticals	80.7	53.0	88
Dyestuffs ,, ,,	17.9	5.4	30
Nitrogen Fertilizers Thousand Tons Na		79.4	(1)
Phosphates ,, Pa		8.9	(i)
Potash ,, Ka	• (1)	658.5	(1)
ight Industry			
Textile Yarns Thousand Tons	101.0	59.2	59
Paper and Cardboard	660.0	317.2	48
Footwear Million Pairs	232.0	16.9	73
Rubber and Asbestos Million RM	60.0	101.6	169
Woodworking ,, ,,	500.0	568.0	114

**S** OVIET ZONE chemical output has lagged somewhat behind that in other zones in respect to both prewar levels and postwar objectives. The chemical plants in the Soviet Zone suffered considerable war damage and after the occupation were subjected sporadically to severe dismantling operations. During the last quarter of 1946, output in percentages of 1949 capacity to be retained under the Quadripartite Level of Industry Plan was reported as follows: Fertilizers synthetic ammonia, 62; calcium cyanamid, 15; superphosphate, 8.

Other: Miscellaneous chemicals, 36; pharmaceuticals, 35; dyestuffs, 42.

Basic inorganic chemicals: Chlorine, 170; caustic soda, 170; soda ash, 94; calcium carbide, 17; sulphuric acid, 43.

The high production rates shown in some of the above items indicate that the 1946 capacities for these groups retained in the Soviet Zone were still substantially higher than those to be retained under the Quadripartite Level of Industry Plan.

The Soviet Zone also lagged behind the US and British Zones in the production of building materials, apparently because of raw materials and manpower shortages. It is estimated that Soviet Zone production of building materials in 1946 averaged about one-third of the 1936 rate.

Following the pattern in other zones, production of the light industries in the Soviet Zone showed only limited recovery. While there was considerable improvement during 1946, total textile yarn output during the last half of the year was only about 40 percent of the 1936 rate. However, production of footwear in the zone was better relatively, than in any of the other zones except the British Zone.

The most important contribution of the Soviet Zone to occupied Germany's 1946 production for certain commodities is indicated in the following percentages: Brown coal, 68; brown coal briquettes, 73; potash, 69; copper, primary and secondary, 66; synthetic fuels, 100; synthetic rubber, 72; machine tools, 80; optical and precision instruments, 46.

TNTERZONAL TRADE as reported to the Allied Control And to the Allied Control Authority indicated that a total of RM 85,700,000 was shipped into the Soviet Zone from the other zones during 1946. The British Zone contributed RM 63,600,000 (74 percent), the US Zone RM 20,400,000 (24 percent), and the French Zone RM 1,700,000 (two percent). Total interzonal shipments from the Soviet Zone amounted to RM 91,000,000, of which RM 64,500,000 (71 percent) went to the British Zone, RM 20,700,000 (23 percent) to the US Zone, and the balance, RM 5,800,000 (six percent) to the French Zone.

Details are shown in the following table (in thousand Reichsmark):

Commodity	Receipts	Shipments
TOTAL	85,719	90,970
Ores and Minerals	N. A.	174
Metals	20,484	166
Metalware	197	427
Industrital Equipment		
and Spare Parts	1,279	1,343
Machinery	1.007	1,414
Vehicles and Spare Parts	1,203	89
Electrical Equipment	1,439	569
Optical and Precision	•	
Instruments	<b>2</b> 21	684
Building Materials	360	428
Glass and Ceramics	94	6,030
Timber	23	1,080
Chemicals	10,734	5,087
Rubber and Asbestos		• • • • •
Products	5,421	5,084
Pulp and Paper	122	1,472
Textiles	1,739	3,381
Leather and Leather Product	s 1,131	632
Fuel	28,289	34,756
Food Products	2,132	9,289
Agricultural Products	9,844	18,865

Press and radio announcements have indicated that the Soviet Zone's interzonal trade for the first six months of 1947 totaled RM 208,000,000, of which RM 84,000,000 represented receipts and RM 124,000,000 shipments. The bulk of the shipments, RM 68,000,000, consisted of deliveries of agricultural produce and other goods to the British Zone.

THE LATEST FIGURES available on the foreign training Zone cover the period 1 July to 31 December 1946 and indicate total imports of \$23,500,000 as against total exports of \$12,400,000. The USSR contributed the bulk of imports, \$16,800,000 largely in the form of cotton and wool, presumably for processing and re-export. Coal imports from Poland and Czechoslovakia accounted for a large portion of the balance. Potash shipments to England, Poland, and Norway, represented the most important of the export items. Exports, which had increased from \$2,300,000 in the second quarter of 1946 to \$7,800,000 in the third, declined to \$4,600,000 in the last quarter.

Indications are, however, that exports, aside from reparations, from the Soviet Zone, which have been negligible in the past, may increase substantially in the future. The fact that two fairs were held in Leipzig in 1947 is indicative of this trend. Such a development, however, will be possible only if reparations out of current production, which absorb the bulk of the shipments from the zone, are greatly reduced as was promised by Marshal Sokolovsky (Soviet Military Governor) at the beginning of the year.

Although no official figures are available on reparations out of current production, all indications are that they have been substantial. Such reparations presumably are in addition to production of SAG plants (Soviet Corporations) and to direct deliveries of non-SAG plants to Soviet agencies. According to some unofficial estimates, reparations out of current production totaled about RM 400,000,000 or perhaps one-third of the output of non-SAG plants, for the last quarter of 1946. If the SAG plants are included, total deliveries to the Soviet Union may have exceeded one-half of total net production.

In accordance with Marshal Sokolovky's statement to the Socialist Unity Party officials on 11 January 1947, reparations were to be substantially reduced in 1947. As reported by the press, the statement on reparations was as follows:

"Deliveries of goods on reparations account will be considerably reduced. Only a small portion of consumer goods will be taken as reparations. Completely exempt from reparations is the output of shoes, clothing, and similar goods manufactured from foreign and imported raw materials. Also excluded from reparations are raw materials produced in the Soviet Zone and used for the production of these goods. This also applies to rayon staple fiber (Zellwolle). If in exceptional cases rayon staple fiber is included in reparations deliveries, it will be replaced by cotton. Agricultural production will be aided particularly by the fact that none of the potash production will be taken for reparations."

According to the press reports, Marshal Sokolovsky's statement also included the following with regard to Soviet corporations in Germany:

"Two hundred large factories originally earmarked for dismantling have been converted into Soviet corporations in order to preserve jobs for workers and employees. These plants will definitely remain in Germany. Seventy-four of these two hundred plants will be returned to the German Land Governments."

The list of the 74 plants as published in the Soviet-licensed press indicates that the bulk of them belong to the metallurgy, potash, and ore mining groups, with the balance in the machinery, electrical equipment, and paper and pulp groups. It is estimated that the plants still retained by the Soviet Corporations represent between 25 and 30 percent of the industrial potential of the Soviet Zone.

#### **Average Relief Grant**

The average monthly relief grant per person throughout the US-occupied area was RM 27.54 in August, while the average grants in each of the Laender ranged from RM 23.75 in Wuerttemberg-Baden to RM 31.14 in Hesse.

# Book Describes US Agriculture

BOOKLET outlining the agricultural extension program carried on in the United States so that farmers may benefit from the latest scientific and technological developments in the field of agriculture, has been distributed in German text by the Bipartite Food and Agriculture Group to all Land agricultural institutions in the Bizonal Area.

The booklet, prepared by Kenneth W. Ingwalson, Chief of the Agricultural Production and Institutions Section, OMG Hesse, and issued by the Food and Agriculture Branch of the Economics Division, OMGUS, was written in order to stimulate interest in agricultural extension in the Bizonal Area and to inform German leaders about the organization and effectiveness of the extension program in the United States.

In the preface the booklet points out that for five consecutive years the American farmer broke all his previous records for food production, despite an ever decreasing supply of labor, fertilizer, and machines. This was largely possible, it states, because of the modern scientific knowledge which the farmer had at his disposal to apply to farm problems.

THE BOOKLET gives an outline of the program, known as "The Cooperative Extension Service in Agriculture and Home Economics," through which the American farmer is kept fully informed on agricultural developments. This service gives advice and instruction on such subjects as soil utilization, crop rotation, and improvement, use, and maintenance of farm equipment to a farm population approximately double that of Germany's in size.

The voluntary and cooperative aspects of the program, based on the closely integrated activities undertaken at federal, state, and county levels, are emphasized in the book, and particular importance is attached to the "demonstration" method of instruction, which translates technical data obtained in the research laboratories of the state agricultural colleges in such a way that farm



Special send-off is given Heinz Wagner as the 10,000 volunteer from the US Zone for the Ruhr coal mines. photo from DENA-Bild

people can apply them to everyday problems.

Because in Germany experimental data on agriculture is customarily retained at the experimental station and not given to the farmer in terms of practical application, it is hoped, Bipartite Food and Agriculture officials stated, that the booklet may lead to a change in German methods which will be of direct benefit to the farmer.

Dr. Conrad Hammer of OMGUS Food and Agriculture Branch said:

"There has been developed in Germany also a good system of agricultural extension, but there exists at present no real counterpart of the group of agricultural extension specialists that exists in every state college of agriculture in the United States. These extension specialists work closely with the research workers of the college and, hence, keep very up-to-date on technical and scientific matters in their special fields. They are available on call to all local extension agents whose farmers bring to them problems which need the attention of experts and who spend most of their time talking and conferring with groups of farmers out in the counties."

# 10,000 th Volunteer Goes to Ruhr Mines

T HE 10,000th volunteer to leave the US Zone for work in the Ruhr coal mines was honored in a ceremony in Wiesbaden attended by American and British Military Government officials and German governmental functionaries from the combined zones.

Leo Werts, director of the Manpower Division, OMGUS, representing the US Military Governor at the observance, declared the men going into the Ruhr mines are performing a service not only to Germany but to all Europe. The German people, he said, have a right to rebuild their country and to return Germany once again to membership in the family of nations. Willingness to perform this job, he said, can be shown by cooperation and by sharing a small amount of coal and manpower with other needy nations.

Maj. Gen. George P. Hays, US Deputy Military Governor, hailed the event as "a source of pride to all concerned" in a letter sent to OMGH Director Dr. James R. Newman. "The increase in production of coal from the Ruhr is essential for the economic recovery of Germany, and directly affects every community and each German citizen," General Hays wrote.

Dr. Newman, in a congratulatory message sent to Dr. Herbert Engler, chief of the Ruhr recruiting office in the US-Zone, declared that the signing of 10,000 voluntary workers shows evidence of a spirit of cooperation and hard work, with which it should be possible to secure a decent standard of living for the German people in the not too distant future. "The more coal we produce," he wrote, "the more industry we can set into operation; the more goods we produce, the more food we can buy for German citizens."

The 10,000th volunteer, Heinz Wagner, of Donsbach, Dillkreis, Hesse, received a completely equipped miner's outfit and a box of cigars. Heinrich Rudolf, member of the first voluntary Ruhr transport which left for the British Zone in March 1947 was also present at the ceremony.

# **Adoption Law Approved**

**E**UROPEAN CHILDREN, including Germans and displaced persons, may now be adopted by Americans in Germany under provisions of Military Government Law No. 10, effective 1 December. Enacted as a result of numerous inquiries and requests from occupation personnel, the new law sets up a procedure under which the Land Military Government directors will authorize German courts to handle adoption cases on an individual basis.

The two great obstacles to enactment of such a law in the past have resulted from confusion as to immigration quotas and US legal requirements. To overcome these difficulties, each prospective adopter must now submit a statement from the American consul that the child is eligible for a visa, together with evidence that the parents meet legal standards for adoption in their home state.

"Military Government's object is to make adoptions possible, but not to hand out authorizations indiscriminately," A. J. Rockwell, director of the Legal Division, OMGUS, stated. "Assumption of responsibility for the future happiness of a child is a grave matter, and Military Government intends to make certain that the parents are both morally and legally competent to enter into such a relationship. In addition, of course, the German law of adoption must be complied with to the complete satisfaction of the appropriate German court."

An implementing letter to Land Military Government directors listed the steps which the would-be adopter must take. If he is a citizen or resident of the United States, he must submit to Military Government:

1. An authenticated copy, or copy certified to have been taken from official sources, of the adoption law of the state or territory of his permanent residence.

2. Where such law requires an investigation of the adopter's qualifications by a designated agency, the duly-authenticated report of such agency. 3. The adoption contract, duly notarized.

4. A written statement from the American consulate to the effect that, from a preliminary examination, it would appear that the adoptee qualifies under US immigration laws and that a visa will be granted.

5. A written statement of the adopter that he is completely informed as to pertinent immigration laws and adoption laws or requirements of his state.

6. Such other appropriate and necessary documents or certificates as special circumstances within a particular jurisdiction may reasonably require.

**T** N ADDITION, if the adopted person is a United Nations national, the written consent of EUCOM to adoption proceedings and to resettlement is necessary. The chief legal officer of each Land will accept such documents on behalf of the OMG director, and will also answer preliminary inquiries as to legal requirements. The OMG director for the US Sector of Berlin will have the same powers with respect to adoptions in that area as the Land directors.

Other United Nations nationals may adopt European children under Law No. 10 by following substantially the same procedure and producing, in addition, written evidence that their own government does not object either to the proposed adoption or to the exercise of jurisdiction by a German court in the matter.

(Continued from Page 7)

Freedom

exert any influence unless the unions are democratically organized and democratically conducted. It may be that at a given moment a minority of trade union members cannot convince the majority. But the fundamental idea of democracy is that the minority of today has the means of becoming the majority tomorrow.

Democratic trade unionism means that every member has a voice in trade union affairs without the menace of a concentration camp throttling every criticism he desires to utter. Democracy also means that each member shall have the right to nominate candidates for offices in the trade unions and to vote for as many candidates as may be nominated by means of a secret ballot. Each member shall have the right to determine in advance how the dues which he contributes shall be spent. The trade union officers once elected are responsible and responsive to the wishes of a majority of the members.

Every major change in policy of a trade union must be submitted to a vote of the membership. The members of industrial or craft unions, for example, have a right to determine whether and how the union shall  $\partial$ filiate with other unions to form a federation without the union's surrendering its autonomy or contributing to the federation any more than a stipulated amount of its funds.

The primary, but not the only, interest of the workers revolves around wages, hours, and working conditions. These matters can best be dealt with through negotiations with employers or managements in the same or related industries where wages, hours, and working conditions can be reasonably the same. It follows that the workers can most satisfactorily deal with these problems through an organization covering related groups of industrial activities such as mining, transport, or the building trades.

It is recognized that the economic and welfare interest of workers are affected by broad economic and political developments. Hence it is desirable for individual trade unions to band together into larger organizations in order to be able to deal with these broader problems. A federation of unions must be composed of autonomous individual trade unions. The industrial trade union must not be a mere department of a federation. One of the safeguards of autonomy and freedom is the control of funds by the industrial unions themselves.

So far, trade unions in Germany have united into Land and zonal federations. The question now at issue is federation beyond zonal boundaries. The answer is dictated by two practical considerations. Trade unions can hope to advance the economic interests of their members only in areas where they have the right to negotiate agreements and the economic power to enforce agreements after they have been negotiated.

Furthermore, to be united they must have a unity of purpose, a unity of objectives, and a unity of programs. All the members must be free to move about in the whole area to be covered by a unified organization. The members must be free to discuss all problems with one another and to speak their minds on all matters of importance to themselves and the progress of society.

GERMAN LABOR has a great opportunity today to assist not only in the rebuilding of Germany but also in the creation as well of an impregnable international society based on human freedom and full employment. At the very base of this society should be the labor organizations, vigilant at all times to defend and assert the rights of men and women to live and work in accordance with their own wishes.

German labor may participate in this development of a new international freeedom today. But to do so, it must resist and continue to resist totalitarian encroachment in its own house — the trade union, the works council, and the factory.

(Continued from Page 8)

### Free Press

vakia, the Balkan countries, and especially Sweden are therefore easily understandable, and the Soviet Zone in Germany now has evidently become part and parcel of this grand combination."

A news item in the **Rhein Neckar** Zeitung (Heidelberg, Wuerttemberg-Baden) was headed: "Russian Export Dumping With German Reparations." It said:

"Reparation deliveries from the East Zone, taken by the Russians from current production, are increasingly interfering with German exports. The Russians use these goods, which comprise a great assortment, as exports of their own. Observers indicate for example that Russia is covering a considerable portion of her delivery obligations to Sweden with these German goods..."

The Main Post (Wuerzburg, Bavaria) carried in a three-column front-page box a 1,200-word letter to Mr. Vishinsky, Soviet deputy foreign minister and chief representative in United Nations meetings in New York, by an American citizen that was first published in the New York Herald Tribune. Headlined "Mr. Vishinsky, Will You Tell This In Moscow?", the article called on Vishinsky to tell the Russian people:

"That we are not a capitalistic nation, but that at present Russia is the only purely capitalistic nation on earth. It owns everything, including the people and its profit... In the United States the people own everything—including the government.

"Tell your people that we have sent your country lend-lease material for 11.5 billion dollars. All this and all the food we sent was produced in the United States aside of that which we needed to win our own war and to help England to win hers. Tell your people how much bigger American production is than Russian...

"The secret lies in the fact that American production is free and that every manufacturer is likewise free. Explain that every family in the United States left to its own devices carries on better than the Russian family directed by the Kremlin. Explain to them, Mr. Vishinsky, that in the United States every man, woman and child has the right to go ahead and to choose any kind of education and profession."

The Wuerttembergisches Zeit-Echo (Schwaebisch - Hall, Wuerttemberg-Baden) carried a 700-word article by Gisela Voss of San Francisco, about the Friendship Train that started from Oakland loaded with food stuff, collecting more across the continent, for shipment to Europe's hungry.

"The Friendship Train is only one of many phases of the vast movement of assistance for Europe that has been started in the States. The desire to assist people in all countries in their struggle against misery finds its expression in all strata from the voluntary and generous contribution of the little individual citizen to the breathtaking figures of the Marshall Plan."

## Permits for Visitors

Visitors to Germany whose Military Entry Permits do not bear the endorsement "Facilities authorized US Zone" are not entitled to use any facilities extended by the US occupation forces such as billeting, messing, post exchange privileges, US Army transportation; nor are they authorized to have Military Payment Certificates in their possession. This applies also to those American citizens who are issued Military Entry Permits to visit western Germany for compassionate reasons.

Holders of Military Entry Permits not expressly validated for entry into the US Sector of Berlin should not be permitted to proceed to Berlin. If a person has valid reasons for a visit to Berlin, any branch office of the Combined Travel Board is authorized to validate entry permits for travel to Berlin if the request is properly sponsored. In cases of businessmen, a branch office of JEIA is in a position to evaluate if travel to Berlin is warranted. From Combined Travel Board (US).

## **Zone Clearing House**

The establishment in Frankfurt of a clearing house to serve the financial institutions in the US Zone was announced by the Finance Division, OMGUS.

The new system, which permits the rapid settlement of cashless transfers. made from bank to bank, has the four Land Central Banks in the US Zone as members and German central banking institutions of other zones as correspondents. Transfers are effected directly from branch to branch of the central banking institutions and are immediately credited to the payee.

The new clearing office then balances and settles the resultant claims and liabilities on a weekly basis and debits or credits the accounts which are maintained for that purpose at Frankfurt by the member institutions and correspondents. Minimum deposits which must be maintained by the Land Central Banks of the US Zone for use at the clearing house total RM 450,000,000.

# OFFICIAL INSTRUCTIONS

Change 7 to MGR Title 24, Important German Legislation, AG 014.12, OMGUS, 3 October 1947. Supersedes subpar II (10), Art. 7 thru III (2), Art. 11, MGR 24-500.1, Concerning the law for Liberation from National Socialism and Militarism.

Establishment and Maintenance of EUCOM Central Locator File, AG 230.712 AGU, Hq EUCOM, 17 October 1947.

Change 15, Part 4, to MGR Title 9, OMGUS, 26 October 1947. Supersedes Part 4, C-13.

Statistical Form No. MG/PS/32/F, AG 319.1 (IA), OMGUS, 3 November 1947. Concerns monthly report of German police: US Zone border crossings, number of persons and goods seized.

Change No. 3, Part 7 to MGR Title 17, Property Control, OMGUS, 6 November 1947. Supersedes Part 7, C-2, with new material.

**Resources Boards of the US Occupied Zone of Germany,** AG 334 GSP-AGO, Hq EUCOM, 6 November 1947. Lists zone, Land and local resources boards and locations.

Logistical Support to the US and Soviet Military Liaison Missions and the US Commander-in-Chief of the Zones of Occupation in Germany, AG 322 GDS-AGO, Hq EUCOM, 14 November 1947. Substitutes Paragraph on Reports in EUCOM letter of 13 May 1947.

**Training Memorandum No. 1, Changes No. 2, Troops and Schools,** Hq EUCOM, 19 November 1947. Substitutes Paragraph on Exemption in Memorandum of 6 May 1947.

Change 31, to MGR Title 23, Military Government Legislation, OMGUS, 20 November 1947. Gives ACA Law No. 59, Information Control Regulation No. 3, amendment in MG Law No. 57, and MG Order No. 1.

Change 5 to Title 6, Public Health, AG 014.12, OMGUS, 21 November 1947. Supersedes MGR 6-800 thru 1st 9 lines of MGR 6-814.2 in C-3.

Technical Memorandum No. 10, Travel Authorization, Hq EUCOM, 21 November 1947. Cites the procedure to be followed in the issue, use of, and accounting for transportation requests. General Orders No. 127, War Criminal Prison Board, Hq EUCOM, 22 November 1947. Lists board's personnel and responsibility.

Lesson Plans for Training Circular 5 Courses, AG 353 GOT-AGO, Hq EUCOM, 24 November 1947. Gives substitutions for EUCOM letter, 21 October 1947.

Staff Memorandum No. 90, Supplementary Education and Training of Workers, Hq EUCOM, 25 November 1947. Concerns TC 5 class starting 5 January 1948 at the Constabulary School at Sonthofen.

Monthly Report on Marriages to Germans, AG 291.1 GPA-AGP-B-AGO, Hq EUCOM, 25 November 1947. Replaces USFET letter AG 291,1 GAP-AGP-B of 30 January 1947.

**Changes No. 1,** to EUCOM-SOP 37 Cl, "Procedure for Acquisition of Real Estate in Occupied, Liberated and Allied Countries," Hq EUCOM, 25 November 1947. Substitutes Paragraph on Claims.

Weekly Directive No. 9, Hq EUCOM, 28 November 1947. Includes following:

Sec 1-Correction of Supply and Stock Control Deficiencies, AG 140 GSP.

Sec 11-Sale of New Cars to Military Personnel on Leave in Holland, AG 451 GPA.

Sec III-Distribution of JANP Publications, AG 461 SIG.

Sec IV-Maintenance, Evacuation and Rebuild of Passenger Cars, AG 451 GSP.

Sec V-Solid Fuel Conservation-Interior Temperature Levels, AG 674 MCH.

Sec VI-Necessity for Iranian Entry Visas, AG 014.331 GPA.

Sec VII-Winterization of  $^{3}/_{4}$ -Ton and  $2^{1}/_{2}$ -Ton Motor Vehicles, AG 451 GSP.

Sec VIII-Quota for Troop Information and Education Staff School, AG 352 TIE.

Copies of Official Instructions listed in the Weekly Information Bulletin may be obtained by writing directly to the originating headquarters. Sec IX-Wearing of American Red Cross Uniform, AG 332.31 PMG. Designates articles that may not be worn by non-ARC personnel or former members of the American Red Cross.

Sec X-Opening of International Road on the German-Belgium Border, AG 092 GPA.

Sec XI-Duty Uniform for US Military Police in the European Command, AG 332.31 PMG. Substitutes for paragraph on duty uniform, in Weekly Directive No. 12.

Sec XII-Joint Army and Air Force Adjustment Regulations, AG 020 AGL.

Sec XIII-Quota for Courses of Instruction at 7712 European Command Intelligence School, AG 352 GID. Gives Substitutes for paragraph on loyalty screening, in Weekly Directive No. 13.

Sec XIV-Character and Efficiency Ratings and Discharge Certificates of Enlisted Personnel, AG 220.8 GPA.

Sec XV-Motor Vehicle Governors, AG 451 GSP. Rescinds Section IV of Weekly Directive No. 10, and changes reference in Section XVII, Weekly Directive No. 15.

Sec XVI-Distinctive Marking of US Army Vehicles, AG 451.02 GSP.

Replacement of Officers by Enlisted Men of the First Grade, AG 220.3 AGO, Hq EUCOM, 28 November 1947. Refers to types of positions now being performed by officers which may be performed in a satisfactory manner by selected and trained noncommissioned officers.

Military Government Legislation Now subject to Amendment or Repeal, AG 010.6 (LD), OMGUS, 28 November 1947. Cites request that each division examine all Military Government legislation in which it has any interest with a view to initiating such changes as should now be made to bring it up to date.

Military Government Law No. 10, "Adoptions by Nationals of the United Nations," AG 010.6 (LD), OMGUS, 29 November 1947. See separate article "Adoption Law Approved."

DRUCKHAUS TEMPELHOF