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BREMEN INDUSTRIES



WEEKLY
INFORMATION BULLETIN



UNITED STATES ZONE, GERMANY

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- GIessen
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- BACKNANG
- PFORZHEIM
- LEONBERG
- STUTTGART
- WAIBLINGEN
- GMÜND
- AALEN
- BÖBLINGEN
- ESSLINGEN
- GÖPPINGEN
- NÖRTINGEN
- HEIDENHEIM
- ULM

MILITARY GOVERNMENT

COVER PICTURE

BREMEN INDUSTRIES — Vessels are shown being repaired on a slipway at Bremen. An article on the postwar revival of industries in Bremen appears in this issue.

OUR CONTRIBUTORS

The article mentioned above, **Bremen Industries**, was written by Harry A. Jacobs after he made a study of key plants in Land Bremen, where he is on duty as a Military Government trainee. He also supplied the pictures which accompany the article, as well as the cover photo. Mr. Jacobs, a graduate of the Georgetown University School of Foreign Service, fought in Europe with the 4th Armored Division during the war.

Phillips Hawkins, who wrote **Decartelization**, was chief of the Decartelization Branch, Economics Division, OMGUS, before his recent appointment as Deputy Director of the Economics Division. A patent attorney, he formerly held posts with the Hercules Powder Co., of Wilmington, Del., and the Rubber Reserve Co.

Lt. Gen. Sir Brian Robertson, new Military Governor of the British Zone, has begun a series of weekly radio talks to acquaint the Germans with Britain's policies and purposes in Germany. The text of his first talk appears in this issue under the title **British Occupation Aims Explained**.

WEEKLY INFORMATION BULLETIN

TABLE OF CONTENTS

Issue No. 119 17 November 1947

Policy on Public Information	2
Bremen Industries	3
Decartelization	6
Outlook for Winter Described	9
Data on Potsdam Germany	10
British Occupation Aims Explained	11
German Reactions	13
Official Instructions	16

Policy on Public Information

In addressing MG Public Information officers at the opening session of a two-day conference in Berlin on 6-7 November, Gen. Lucius D. Clay, the Military Governor, made the following statement of policy:

I AM ONE of those people who has very decided views about Public Information. . . .

First, except as it involves real security or matters under diplomatic negotiation, no public agency has a right to hide or withhold any information. It is the responsibility of the public agency which is serving the people of the United States to furnish material to accredited press representatives on our activities — good, bad, and indifferent.

There are only two exceptions: where there is a real security danger and where the matters are under diplomatic negotiation and it would be dangerous for the United States to disclose its position until negotiations have been completed. That is the kind of policy we have tried to operate on since the first day Military Government was set up. It is sometimes referred to as the "Goldfish Bowl" policy, and I guess that is about as good a description as you can give it.

It, therefore, becomes a primary duty of the Public Information representative to see that information is made available to the public, and when it is being withheld it is your duty to inform the person to whom you are responsible that you are not fully presenting the facts to the public.

Second, the Public Information representative can frequently see that news and information are interpreted correctly. Frequently statements given out by functional divisions have factual information only and unless interpreted in the light of the picture it is susceptible to misinterpretation.

The Public Information representative must have a complete and full knowledge of all that is going on within his bailiwick, in which case he can either advise the functional division that the information it is making available is capable of misinterpretation, or he can suggest, himself, the correct and proper interpretation. He can only do that if his own interpretation is correct, and it can be correct only if he has a complete and full knowledge of what is going on.

Finally, the Public Information representative has to have courage. It is frequently easier not to give information out than it is to give it out. In case of doubt, give out the information. Don't hold it back! We have nothing to gain by withholding information. Even our own mistakes, if thrown back to us by our own press and publications, will in themselves help us to do a better job.

I think that these reasons will explain why I personally attach so much importance to the task of Public Information. To exercise it you have to have a more comprehensive knowledge of Military Government, of what we are doing, and of US policy than any of the representatives of the functional divisions.

I think that we have gained the respect of the press by the fact we have willingly placed the facts on the table whether they are good to us or whether they hurt us. Very obviously if we have gained that respect, it was from the work you people have done. I would like to thank you for it and to ask you to continue to the very best of your ability and to remember always that you will never be criticized by me for giving out facts whether they are good, bad, or otherwise. . . .

BREMEN

INDUSTRIES

By Harry A. Jacobs

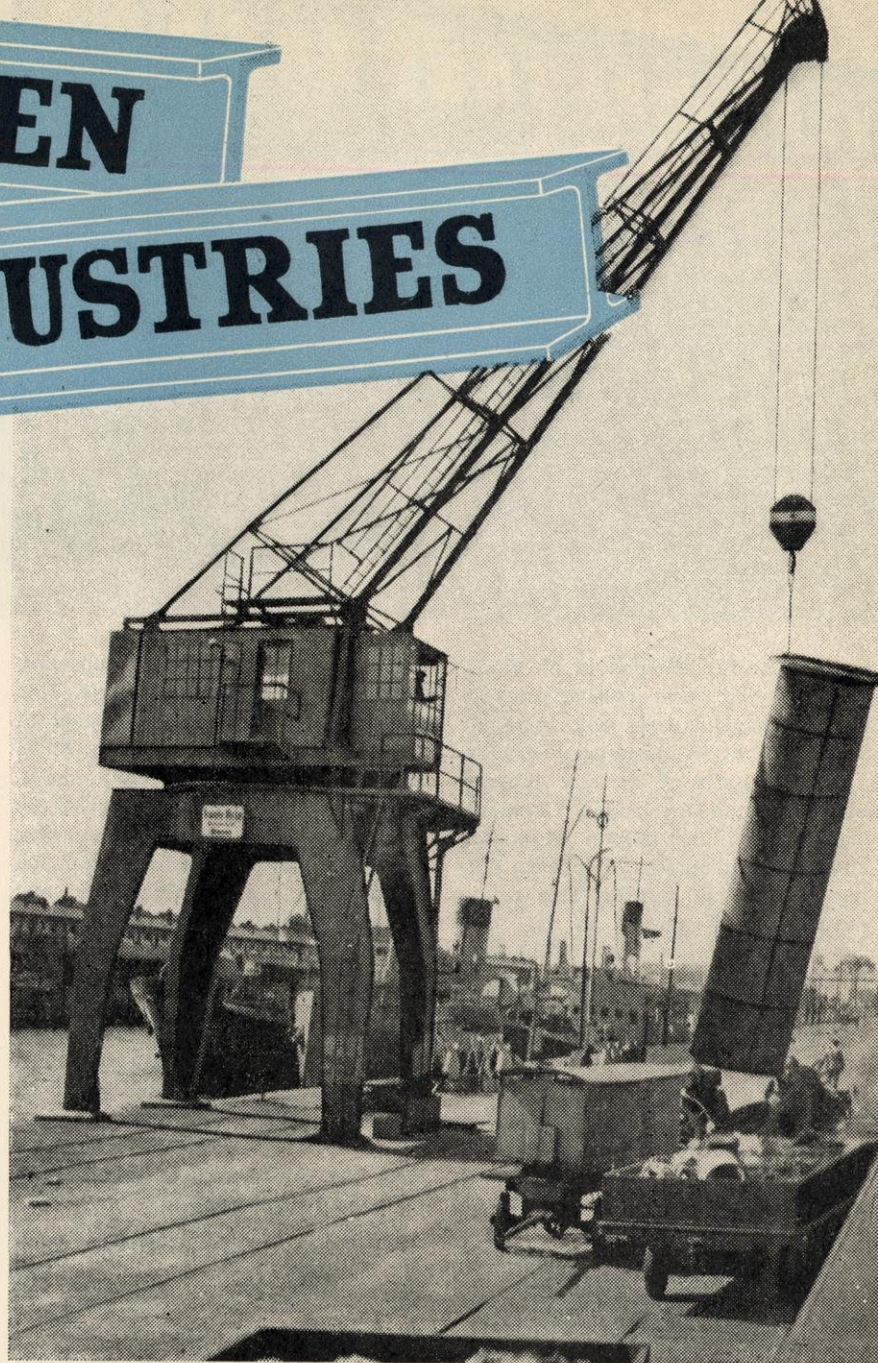
KEY INDUSTRIES in Land Bremen are showing remarkable economic recovery in spite of the lack of raw materials, shortage of labor, and uncertainty of power supply. A study of Bremen's nine foremost industrial plants reveals that their output increased 85 percent during the last year.

These nine plants had produced RM 216 million worth of goods and services in 1936. During the first 12 months following the end of hostilities their production dropped to a low of RM 34 million, but during the period between 1 October 1946 and 30 September 1947, it rose to RM 63 million.

It is interesting to observe the pattern of their renewed activity. In almost every instance, although the firm's prewar lines are still being manufactured, something new has been added.

The Francke Werke A.G. is producing equipment for public utility plants such as gas, electricity, and water works, and items like oil storage tanks, fuel pumps, and oxygen. While its present public utility output is less than before the war, its manufacture of oxygen is considerably larger. Because of the great need for oxygen in industrial establishments and hospitals, and the availability of raw material, the company's plant is working on a 24-hour schedule to produce oxygen at an annual rate of 305,000 cubic meters.

Prior to World War II the Francke Werke exported almost 70 percent of its total output. The firm built public utility plants for cities in Germany and many other European countries, and vegetable oil producing plants



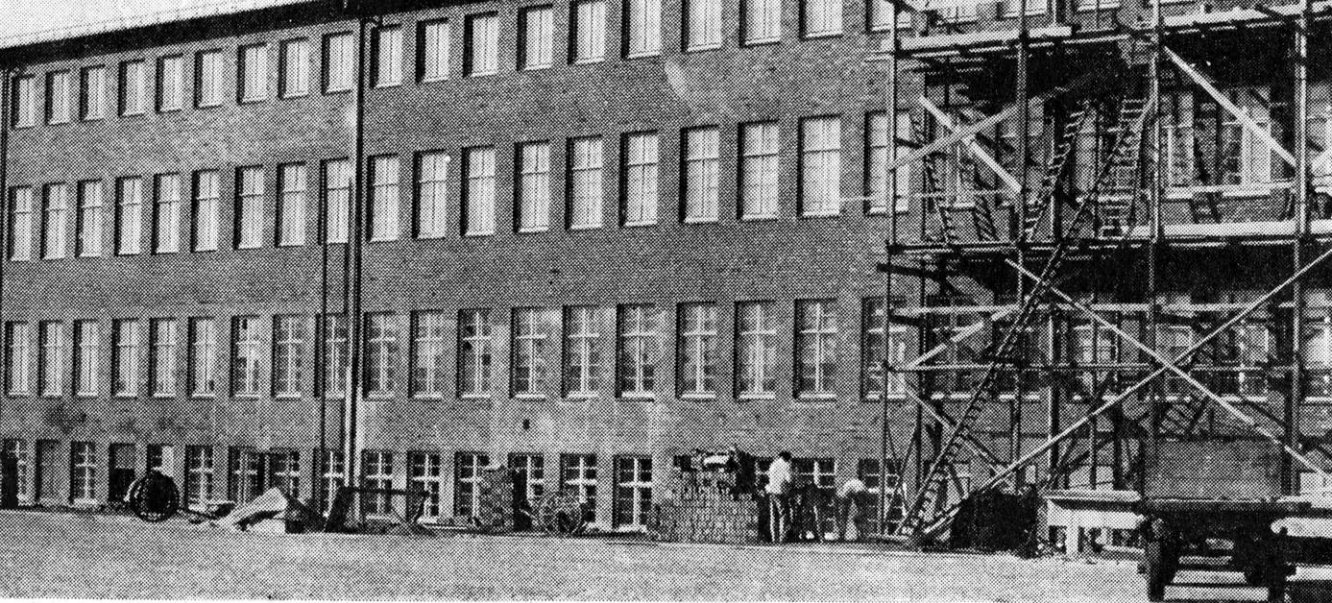
for India. Although the company is unable at present to resume its export trade on a large scale, it has received many inquiries from abroad concerning possible future deliveries.

The Francke Werke is participating in the bizonal locomotive repair program, since its repair shops are suitable for making complete general overhauls. It is contributing to the restoration of the Bremen port facilities, having repaired 60 three-ton cranes on Bremen's docks. The firm has developed

A CRANE picks up a boiler at the Francke Werke A.G., Bremen.

a self-propelled peat digger, which has been utilized to increase the production of peat, a substitute for coal, on the moors around the Bremen Enclave.

ONE OF THE best known German tobacco manufacturing enterprises, the Martin Brinkmann company, is situated in Bremen. During the war 50 percent of its production



facilities were damaged in air raids. By employing an aggressive program the company has been able to repair 90 percent of its damaged buildings.

On the basis of its raw tobacco allocation the Brinkmann Company manufactured 300 million cigarettes and 500,000 kilograms of tobacco during the past 12 months. This represents only 10 percent of its total capacity. The critical tobacco shortage is the company's greatest concern. By March 1948 all of the 1946 crop will have been exhausted. The bulk of the 1947 harvest will not be available until the autumn of 1948. But by an accelerated process of fermentation, it may be possible to use a part of the early 1947 crop as a stop-gap measure.

Among its better known brands there are "Lux" and "Basra" cigarettes, "Brinkmann's Auslese" and the "Cavalla" tobacco mixtures. The "Lux" is considered one of the best German-made cigarettes on the market today. It is made only from foreign tobacco, including 25-percent Virginia, which is obtained from a prewar reserve stock. The "Basra" contains a mixture of Italian, Hungarian, and German tobacco. The occupation has had a great effect on the appearance of the cigarettes packages, and in place of the prewar cardboard boxes, cigarettes are sold in American-type packs containing 20 cigarettes.

The Bremer Wollkaemmerei is the largest wool scouring and combing plant in Germany. Out of 1,700

combing machines in the Bizonal Area, 1,200 are in the Wollkaemmerei. This is the key wool processing plant of the western zones, supplying 70 to 80 percent of the total requirements. Its present capacity is limited by the labor shortage, and the need for auxiliary material such as tampico fibers, sisal, manila hemp, jute, and olive oil. Twenty-five percent of the current output is consumed by a special wool processing program for the United Kingdom. The remaining production is used to meet indigenous clothing requirements and industrial needs like felting and driving belts. An important by-product of wool-processing is lanolin, which is removed from the raw wool and sold to cosmetic and pharmaceutical factories.

Since the Wollkaemmerei is located on the Weser River, freighters loaded with raw wool dock alongside the factory. A conveyer system transports the wool directly into the warehouses.

A FIRM UNIQUE in Germany is Schlotterhose and Company in the fishing center of Bremerhaven. It concentrates on the manufacture of all kinds of machinery required for the utilization of fish waste. It produces fish meal processing appliances, fish oil cooking plants, sterilization machinery, whaling ovens, and cod-liver oil plants. The latter plants are either built for use in factories on land, or for assembly aboard ships.

THE REBUILT Martin Brinkmann K.G. tobacco-manufacturing plant.

Lately the company has branched out by producing presses used in the manufacture of insulin. A postwar novelty is the adoption of the firm's fish meal machinery by the spice industry for the production of bouillon cubes with a fish meal base.

In peacetime, 80 to 90 percent of the company's capacity was taken up by export orders. Practically all nations with fishing fleets purchased this specialized type of machinery from Schlotterhose and Company. With the receipt of orders from the United Kingdom and Scandinavian countries, its export trade is slowly reviving.

The Atlas Werke, 65 percent of whose physical assets were destroyed during the war, is engaged in several fields of industrial production. Its main components are the mechanical engineering department, a shipbuilding yard, a metal foundry, and an electro-mechanical plant. In spite of the lack of material and labor difficulties this enterprise has produced almost RM 5 million worth of machinery and repair work during the past 12 months. This compares favorably with RM 7 to 10 million worth of business during a good peacetime year. Before the war the company specialized in building small freighters, and expects to carry on again

when material and labor becomes more plentiful.

The Atlas Werke was the original supplier of all the auxiliary machinery for the steamships "Bremen" and the "Europa." Recently an order was received from France for new propellers for the liner "Liberté," formerly the "Europa." The fishing industry depends very heavily on this company for all types of machinery. Currently, trawlers are being equipped with the "Echolot," a depth-sounding device used to locate schools of fish. It is producing all kinds of winches for the handling of fishing nets. One department produces pumps used aboard ship and in food-processing industries. At present the coal mines are the biggest customers for water pumps.

Atlas' electro-mechanical department is a postwar development, whose energy is directed to the production of electro-medical devices such as shock apparatus, cardiographs, and hearing aids. Originally the company became interested in this particular field through experiments with depth-sounding devices for ocean-going vessels. The management is anxious to expand its new electro-medical division.

THE LARGEST industrial enterprise of Land Bremen is the Carl F. W. Borgward automobile factory. Its "Hansa" passenger cars, "Borgward" trucks, and "Borgward" electrical warehouse cars are widely known throughout Europe. At present the factory is producing three-ton trucks at a rate of 100 per month. These vehicles are channeled to essential domestic users, but at the recent Hanover Export Fair the company made contracts for the delivery of one-ton trucks with Switzerland, Sweden, and the Netherlands. This has boosted the firm's export sales from 5 percent to 50 percent of its total output. The factory, target of three air raids during the war and 80 percent destroyed, is anxious to get back to the production of sedans and three-wheeled delivery trucks.

THIS IS THE assembly room of the Carl F. W. Borgward automobile factory. The plant, 80 per cent destroyed during the war, has been rebuilt.

The Bremer Tauwerk Fabrik is one of Germany's leading producers of harvest binder twines, fishing net cordage, tow-ropes, packaging twine, and trawl lines. This firm alone is presently supplying the Bizonal Area with approximately 20 percent of its harvest binder twine requirements, and also participates in the fishing net program to the extent of supplying 35 percent of netting twine. Recently the Tauwerk Fabrik was called upon to produce transmission ropes for the Ruhr coal mines.

All of the company's binder twine is made out of paper. At first this was a wartime ersatz measure, but the farmers have become accustomed to it and actually prefer it to the higher priced fiber twine.

Shortly before the war Tauwerk Fabrik developed a whale catch line inside of which was a highly charged electric wire. The lines was shot at whales and on contact killed them instantly. The advantage of this device is that the whale is not mangled, and thus no meat is lost. Inquiries have been received from foreign buyers for postwar commercial use of this development.

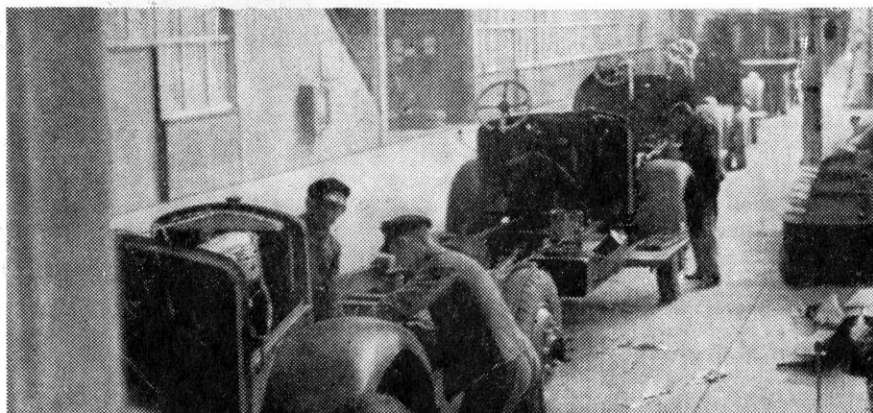
A new department of this firm is its weaving shop, which produces summer-type rugs made out of sisal and manila fibers. There is a great potential demand for this type of floorcovering in many tropical countries.

THE LARGEST shipyard in the Land Bremen, the Bremer Vulkan Werft, is equipped to repair and construct all types of ships with the exception of liners. Since the shipyard was damaged only to a small degree, its production facilities can be fully utilized. The yard has an order for constructing five 400-ton trawlers for the Bizonal Area fishing fleet.

Another important activity of the firm is the reconditioning of steam and Diesel engines. It undertakes emergency and ordinary repairs on all types of ships. From October 1946 to October 1947 compensation received for the repair of Allied craft amounted to approximately \$300,000. The company is also doing its part to keep the dwindling inland waterways fleet in operation by repairing and overhauling barges, tugs, and other river craft. The Vulkan Werft is participating in the Enclave factory machinery reconditioning program to get crippled factories back into production.

The Norddeutsche Steingut Fabrik at Bremen-Grohn is the largest wall tile factory in the Western Zones. Its product is urgently needed by many hospitals, food processing plants, slaughter houses, and fish-packing plants, as well as by private homes. Because two of its factories are not yet in operation, the company is only manufacturing white tiles. Up to a short time ago the firm was occupied with a priority program for US and British Army installation.

In peacetime this enterprise sold more than 50 percent of its tiles abroad, and the company has now more export orders on hand than it can fill. Just a few days ago \$130,000 worth of contracts were signed with buyers from the Netherlands and Argentina. The Norddeutsche Steingut Fabrik has had great difficulty in obtaining clay, and because of this and a labor shortage, the firm has had to operate at only 20 percent of capacity. Nevertheless this figure represents RM 1,200,000 for the past 12 months. Under the direction of the Land Economics Administration the Steingut Fabrik is also producing dishes for householders in Land Bremen.



DECARTELIZATION

By Phillips Hawkins

Deputy Director of Economics Division, OMGUS

MILITARY GOVERNMENT Law No. 56 is directed in the US-Zone at breaking the strangle hold which cartels, combines, syndicates, trusts, and other excessive concentrations of economic power inflicted on the German people. It endeavors, once and for all, to smash these octopuses which obstruct the upward surge of a healthy economy for all and enchain the very right to existence of the individual.

Of course, it is realized that Germany is suffering from severe shortages of food, materials, machinery, and transportation. But this is a temporary condition which the German people will overcome provided they are not dragged down by totally unnecessary burdens.

Law 56, recently promulgated in the US Zone and similar to a companion enactment in the British Zone, is designed to remove one such utterly unnecessary burden threatening to impede the work of reconstruction. And once the present temporary shortages are overcome, the law can become a lever whereby the German people of the Bizonal Area can transform their economy into one of unhampered and unlimited production, goods and services for all, and higher living standards for every German, whether businessman, worker, or housewife.

Law 56 will open the possibility for the small businessman — once the present scarcities and bottlenecks are out of the way — to establish an enterprise anywhere he chooses, to produce or sell whatever he wishes, to sell to whomever he desires, to charge less to the consumer if he sees fit, free from the dictates of the economic giants. It will not be permitted for him to be driven to the wall, discriminated against, dictated to, and forced out of business completely by the ruthless practices

common to cartels, combines, syndicates, and the like.

TO THE MILLIONS of German workers the law will mean more and better jobs. By competition among producers, more jobs will be created. Better wages will also follow, hand in hand with the higher profits brought about through volume production and a sound, healthy economy.

Every housewife will benefit by lower prices. Where a number of firms are competing against the other, if the price of one is too high, or if the housewife does not like the quality of its products or the nature of its service, she will go to its competitor and get it at a lower price or in a more favorable quality.

The idea is not new. Germans have been fighting monopolies for generations — under the Kaiser; under

the Weimar Republic; in short, ever since industry became the backbone of the German economy. However, the forces which the large-scale monopolies could muster were too strong and too unscrupulous. Now the German people have acquired this law, an instrument which was actually shaped by the experience which the Americans gained in dealing with the same problem in their own country.

BUSINESSMEN and businesses, competing one against the other, and supervised by legislation designed to insure such continued competition, exactly as Law 56 is intended to do here in Germany, have given the United States the highest standard of living the world has ever seen. Competition and freedom of opportunity have meant higher wages and comforts that no other workers in the



AN AERIAL VIEW of the I. G. Farben factory buildings at Hoechst. (Signal Corps photo)

world could afford as well as the right to independence of action.

Under such a system of free enterprise and free competition in Germany there will be greater production, more utensils and conveniences for the household, and lower prices brought about through competition.

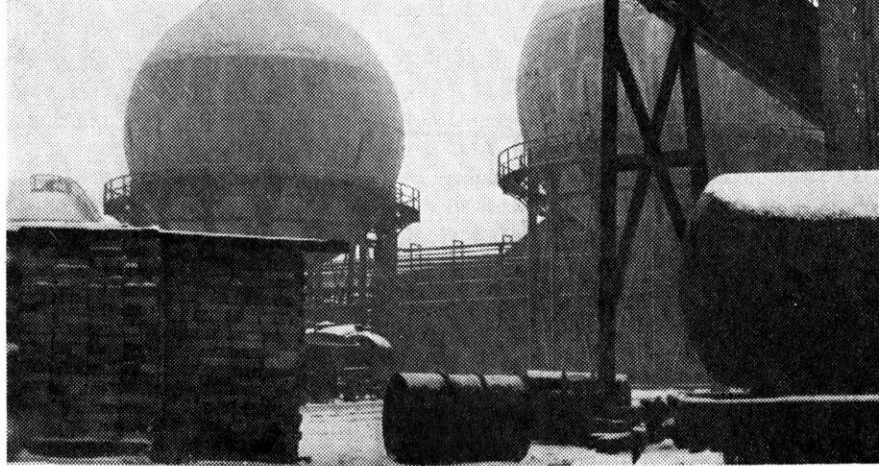
The gigantic cartels and combines were so powerful in Germany, especially during the Nazi regime, that they could disregard the interests of Germany's housewives, producing guns and tanks instead of household utensils when they found it more profitable. When monopoly or semi-monopoly exists, there is no other direction toward which housewives can turn. This is not so with independent competitive businesses, which have to heed the millions of housewives' voices under penalty of losing their patronage and ultimately committing business suicide.

IN THE Soviet Zone they have what they call Soviet Aktiengesellschaften. They comprise a type of organization that would be outlawed by Law 56 if this law were extended to that zone. They are huge concentrations of industrial and commercial enterprises controlled by the Soviet Government.

Several months ago, General Draper (Maj. Gen. William Draper, then director of the Economics Division, OMGUS) was quoted as saying that Soviet state corporations held title to 30 to 40 percent of German industry in the Soviet Zone. Moreover, the fact that a large part of their output was being shipped to the USSR was too well known to require further mention.

These gigantic Soviet-controlled trusts are, in a sense, compulsory cartels with priorities on raw materials, labor, and markets, and they possess all the evils of any other monopoly plus the fact that they are controlled by, and working for, a foreign power. Apparently they are representative of life in a communist state, as both the Soviet Government and the Communist-dominated German Land governments are, to say the least, acquiescing in the arrangement.

These huge monopolies are driving the independent German businessman out of business — driving him out



of business at a time when Germany has need for all the independent initiative, energy, and talent that she can muster.

FOR GENERATIONS Germany has, unfortunately, been the victim of her own economic system. By a variety of pressures and traditions dating back to feudal times, she developed a highly centralized system of trade and industry. Under this system a handful of tremendous combines in control of the coal and iron in the Ruhr and Rhineland virtually supplanted the German people and the German government in dictating policy not only for their own industries but also for German industry as a whole.

They became, in all but name, the masters of Germany, dividing the German economy into two separate and unequal parts: (1) the organized combines, trusts, and cartels with power to determine and enforce the rules under which they would buy and sell; and (2) the great mass of unorganized consumers, laborers, farmers, and small businessmen, having no control over policies, pricing, production, or employment. The clashes between these two opposing interests — that is to say, the exploiters and the exploited — have been historic and tragic, climaxing in the brutal crushing of the unorganized businessmen and consumers under the heel of the political and economic dictatorship of the NSDAP.

Now that those Nazi excesses have wreaked great injury to the German economy and it is necessary to rebuild and reconstruct anew, each German may well ask whether the rebuilding and reconstruction should

PART OF the I. G. Farben industries at Hoechst. (Signal Corps photo)

be permitted to proceed along the same old cartel lines, or if the German should not insist that it be established along new lines in a pattern of freedom of opportunity and freedom of enterprise for all. The German people must choose.

MANY HAVE never stopped to reason the matter through or are uninformed or misinformed. For example, a refugee, a plumber formerly of Rostock, approached distributors in Bavaria asking for ceramics. Hearing of his request, the manager of a local trade association called upon the members of his association ordering them to refuse to furnish materials. Why? Because as a newcomer, this man might offer competition and so threaten to drive down prices charged the average German.

Every time a German restricts production, he restricts the number of jobs, and that means fewer bathtubs, fewer baby carriages, fewer household necessities, and also means waiting days, months, even years for badly needed repairs. Law 56 recognizes the utter unfairness which the present state of affairs breeds and outlaws vicious cartel practices as being against the common welfare.

But in order to win through to such ends, the Germans must realize exactly the magnitude of the Frankenstein they have reared among them. Let me give a few examples.

Take the Phobus S.A., the electric lamp cartel to which practically all the important manufacturers of electric light bulbs belonged, excepting

only the electric bulb manufacturers of the United States. The member manufacturers included Osram GmbH of Germany, the subsidiary of AEG and Siemens & Halske. Here is what happened to prices. In the United States, competition kept the prices for 25-watt, 40-watt, and 60-watt bulbs down to 15 cents each. In Germany, Osram's prices were from two to more than three times the prices of US bulbs, or, as expressed in terms of US currency, 30 cents for a 25-watt bulb, 36 cents for a 40-watt bulb, and 48 cents for a 60-watt bulb.

EVERY TIME a German struck a match, he contributed to the profits of the German match monopoly. This monopoly had, until recently, complete control over sales, prices, exports, and imports of match goods. It could and did limit the number of match producers.

And cartels exact a toll every time a German put on his shoes or glasses, cooked a meal, painted anything from a chair to a house. Suppose he went to the faucet to get a glass of water. Let's see what happened. The water was purified by chlorine — chlorine was controlled by a cartel. The glass contained certain arsenic compounds, also controlled by a cartel. The glass was shaped by a machine controlled by a cartel.

The clothes a German wore, his radio, false teeth, pots and pans, soaps, paper, plastics were in some measure affected by cartels. Let's examine the point a bit further.

From coal he got heat, light, power, synthetic rayons, pharmaceuticals, buna rubber, asphalt, dynamite. Yet knowing all this, knowing that Germany's great chemical industry was founded on coal, knowing that without coal there would be no iron or steel, knowing how all-important coal was, nevertheless, the German people were seized in the grip of nine gigantic combines, each a virtual monopoly in its own right, which had exercised life and death control over Germany's coal resources. These nine giants could set the price of coal, say how much coal was to be mined, and decide who could or could not buy coal.

The same situation existed, prac-

tically, in iron and steel, while the German chemical industry, to all intents and purposes, was controlled by I. G. Farben.

Thus the thousands of German businessmen who would have liked to participate in these fields found themselves utterly unable to cope with these monsters and were ruthlessly pushed aside. A handful of industrial giants were enabled to seize upon the jugular vein of the German people and, by applying pressure at opportune occasions, to control a great country's life blood.

THE INDIVIDUAL has to know the facts. Unless all know about the evils which the law is designed to correct and unless they realize that every one must actively get behind the law and assist in stamping out violations, it will not accomplish for the German people the degree of benefit of which it is capable. Both the German and US governmental authorities are united in a common desire to see that the law succeeds.

It is in every German's interest that it should succeed. Thus all must be vigilant to ascertain the violators whoever and wherever they may be and bring them before the bar of public opinion. There are German decartelization agencies in every Land of the US Zone which are anxious to cooperate in that respect, which are anxious to insure that no interests, economic or political, selfishly jeopardize the rights of all Germans.

General Export License

A general license has been granted for all transactions within the US Zone which are necessary in connection with the export of property from the zone to any country outside Germany except Spain, Japan, and their dependencies.

All foreign exchange proceeds resulting from such transactions or from any contracts which might be made or entered into in connection with such transactions will be paid to US-UK Military Governments in Germany. This license does not in itself authorize the export of property from the US Zone.

More Industrial Cuts Made in Soviet Zone

"In spite of the already enormous dismantlings in the eastern zone, its industrial capacity still suffers further deep cuts," declared *Die Neue Zeitung*, US-occupation newspaper. "In addition to the comprehensive foreign infiltration through the Soviet AG's, Russian economic organizations purchase great quantities of German property."

The paper pointed out that in addition to this, the reparation plan for the first part of 1948 has been sent to the Land governments in the Soviet Zone. At the present time, it added, power plants at Erfurt, Apolda, and Bleicherode are being dismantled.

The paper said there is another drive going on in the zone—allegedly to save coal and electricity—to coordinate plants. Under this plan plants are being combined with each other, labor is being combined, and in order to maintain production one plans to work three shifts. According to the paper, experts state that the fusions will not be complete but some machines will be left over, these then being liable to dismantling.

"In this respect one estimates the loss in the textile industry at about 25 to 33 percent," said the paper.

Soviet firms, it continued, are presently buying houses, factories, and estates in Berlin and the eastern zone. It said this is particularly evident in Erfurt, Halle, and Leipzig. As an example, the paper declared the Meissen factory has been bought for 1,500,000 marks. It named other factories which have been bought.

"One has observed that there is a tendency to keep all things secret concerning Russian control over German economy," noted the paper. It pointed out that Russian orders are sent in full only to the economic ministers, while in the Soviet AG administration German bookkeeping has been almost completely abolished. Certain firms which work for reparations are not allowed to keep books, it stated.

Laenderrat Informed Of Manpower Policy

CONSIDERATION of the needs of the German economy and full protection of worker's rights will be taken into account in any negotiations looking to the recruitment of German manpower for other European countries, OMGUS has assured the Laenderrat. At the same time, OMGUS stressed that it is the "final authority" in matters pertaining to such negotiations and intends to "retain freedom of action."

The OMGUS statement was made in answer to a Laenderrat request for information concerning agreements for recruitment of German manpower for foreign countries. The Laenderrat further asked that future agreements be concluded after competent German agencies had been heard.

The OMGUS statement to the Laenderrat said: "The utilization of German manpower in Europe is part of the broader tasks of its economic recovery.

"In that broader task, Military Government, being the final authority in the US Zone of Germany on matters pertaining to negotiations with foreign countries, must retain freedom of action as to time and place of negotiations, and decision within its wider interest.

"Decision will be made with complete and sympathetic consideration of the needs of the German economy and with the guaranty of full protection of the worker's rights.

"Normally, German authorities will be consulted regarding the recruitment of German manpower for foreign countries, and full consideration taken of such advice, within the scope of Military Government's objective."

Bank Deposits Rise

Deposits in banks in the US Zone as of 31 July were RM 72,163 million, an increase of approximately RM 853 million during the month. Most of the increase represented demand deposits. Time deposits increased slightly, while savings deposits dropped by about RM 27 million to RM 22,375 million.

Outlook for Winter Described

The economic situation confronting the Germans for the coming winter was described by Gen. Lucius D. Clay, the Military Governor, in his speech to the Laenderrat in Stuttgart, 4 November. The text of his speech follows in part.

IT IS IMPOSSIBLE to promise you or for you to promise your people that the coming winter will not be a hard winter. There will still not be enough of anything. On the other hand, if we examine the approach of this winter in comparison with the approaches to the two previous winters, the picture is not entirely a dark one.

In the first place, your state government has improved and is now functioning efficiently as a government administration. More than forty million Germans in the American and British Zones are operating in an economic unit under the control of their own Economic Council, which, if not representative of the people, has at least been selected by those who are representative of the people. Administratively, you are infinitely better able to cope with emergencies than you have been at any time in the last two years.

The situation with respect to food is to the Combined Zones much more promising than at this time last year. Stocks on hand are larger and the distribution machinery is much better able to assure better distribution. While the world food supply makes it impossible to promise an increase in the ration, there is every reason to believe that the present ration can be fully maintained.

Perhaps there are some compensating features to the shortage in world grain. As a result, the United States and Great Britain are spending larger sums of money to buy more expensive foods which will probably result in a better balanced diet within the ration which you now have. For instance, we have recently been able to purchase several hundred thousand tons of sugar, which I am sure will be a welcome addition to the ration.

As we approach the winter, the fuel situation looks somewhat better. Some coal for domestic use has been made available and is on hand in the large cities and towns. In fact, it would appear to be transport, rather than coal, which is now limiting our ability in moving and using fuel. I think we should all record our appreciation of the work of the coal miners and of coal management. During the last two weeks they have increased almost daily their output of coal, which has now reached 258,000 tons of coal per day from the Ruhr, the largest figure that has been reached since the beginning of the occupation. Unfortunately, the low water in the waterways has made it extremely difficult to move coal as we had expected and has reduced our hydroelectric capacity, which we hope will be helped by early rains.

IN THE CLOTHING field you face the winter with inventories greatly depleted. However, approximately 50,000 tons of surplus Army clothing is being made available from the United States and this clothing is on a deferred account basis to be paid at an indefinite time in the future. This clothing is now on its way to Germany.

I say this because if you remain steadfast through the winter, I am sure that you will find that the foundation has been laid for a rapid economic recovery in the spring. As is always necessary in an occupation, there are certain destructive phases which have had to be accomplished.

I, of course, do not expect you to like the dismantling of some of your plants. I think that on sober analysis you will find that the number is small. At any rate, you now know the plants which will be left in Germany and you have this winter to see that they are placed in shape so that when spring comes they can be put into full production; and, meanwhile, the dismantling can be finished.

Also, there have been changes made in the administrative procedures in denazification which make it possible for you to complete that

Data on Potsdam Germany

task during the winter months. I urge you to these accomplishments. If dismantling and denazification can be placed behind you, if the foundation is laid in the repair of plants that remain in Germany, if you remain steadfast in your determination, spring will find you with nothing but a constructive job on your hands.

You will, finally, have an atmosphere in which democracy can grow and in which the German people can demonstrate their determination to regain their place among the peoples of the world. I cannot help but feel and hope that in spite of the fact that you face another hard winter, it is a winter to be faced more cheerfully and with more certainty of your own future than at anytime since surrender.

Parcel Post for PW's

Inauguration of parcel post service from all occupied areas of Germany to German prisoners of war interned in Czechoslovakia, effective 15 November, has been approved by the Allied Control Authority. Parcels will be limited to maximum of 2.2 pounds in weight.

Contents will be restricted to comfort articles, such as non-perishable food and clothing, and only one parcel per month will be permitted from one sender to one addressee. Other than an invoice listing the contents, prices, and number of articles enclosed, no printed matter or correspondence will be included.

Claimants Answered

In response to inquiries by the Polish, Czechoslovak, and Yugoslav military missions regarding pension claims of repatriated United Nations nationals, the Allied Control Authority has replied that monies due to such claimants will be paid upon request and redeposited to their credit in blocked accounts in German banks or savings institutions.

The US Military Government has accordingly instructed German authorities to make payment of social insurance claims to nationals of these countries in this manner.

A comprehensive document, entitled "Economic Data on Potsdam Germany," presents basic facts and figures with respect to the present German economy, viewed in the perspective of both actual prewar and contemplated postwar patterns. The document was prepared by the Economics Division, OMGUS, and issued this month as a special report of the Military Governor.

The data dealing with the economic situation of all Germany as delineated under the Potsdam Agreement were from the most reliable and complete sources available. Most of the statistics for prewar Germany were obtained from official German publications. The current statistics were obtained from the Allied Control Authority, the Military Governments of the respective occupation zones, and German agencies.

The figures with respect to post-surrender Germany are, in general, considerably less accurate than the prewar data. The reestablishment of German statistical agencies has been a slow process in the face of difficult physical conditions and the acute shortage of trained personnel. Many business concerns have also encountered difficulties in preparing reports on their individual operations, and many reporting errors, usually inadvertent rather than deliberate, have been discovered.

On the whole, however, these inaccuracies are not of sufficient magnitude to distort the general picture, particularly insofar as the US and British Zones are concerned. Any consistent bias inherent in the data has been in the direction of slightly understating the current level of industrial activity.

During the forthcoming weeks, the **Weekly Information Bulletin** will present a series of six articles covering the textual contents of this report. Of the 51 tables, charts, and graphs used in the report, only those of outstanding general application will be repeated in this series. Starting

with the next issue of the WIB, the installments will be published as follows:

1. **Background:** covering prewar Germany, its division at the close of the war, and comparison of the zones of occupation.

2. **Current Situation:** dealing principally with the over-all picture for Germany since the Potsdam Agreement. The situations in the various zones will be taken up in succeeding installments.

3. **Bizonal Area:** showing the economical progress made since the economic merger of the US and British Zones at the beginning of 1947.

4. **US and UK Zones:** explaining the situations in the two zones principally prior to the merger.

5. **Soviet Zone:** giving a comprehensive picture of the economic situation in that zone as developed from the latest available information.

6. (a) **French Zone:** giving a similar account for this zone. (b) **Other Countries:** comparing the situation in Germany with that in other European countries.

Translations of Plays

German translations of American plays to be performed in Germany and Austria will be published exclusively by US Military Government headquarters in Berlin. This was decided at a conference of the US Military Governments of the two occupied countries at a conference at Salzburg, Austria, in September.

American music made available to both countries will be divided into two groups, one featuring music by native American composers and by those naturalized US citizens whose musical education and training have been chiefly American, and the other featuring music by composers who also have become naturalized and whose works tend to prove that life in America is conducive to musical authorship.

BRITISH OCCUPATION AIMS EXPLAINED

Gen. Robertson, as Military Governor, Begins Series of Talks To Inform Germans of His Country's Policies and Purposes

In his first broadcast to the German people as the new Military Governor of the British Zone, Lt. Gen. Sir Brian Robertson, inaugurated a series of weekly talks to inform the Germans of British policies and purposes. He succeeded Marshal of the Royal Air Force, Sir Sholto Douglas, on 1 November as British Military Governor, as well as commander-in-chief of the British forces in Germany and British member of the Allied Control Council. The text of his broadcast on "Our Aims in Germany" follows:

MY TALK tonight is the first of a new series of talks which are to be given every Saturday evening. Their object is to inform you about our policies and purposes here. In these difficult days many things must be obscure and puzzling to the ordinary German man and woman in the British Zone. We want to do what we can to remove these obscurities and to tell you frankly not only what we are doing but also why.

Whatever verdict history may pass on the role played by Great Britain in the occupation of Germany I trust that it will say that we have been consistent. When we first occupied the country we set ourselves certain aims to achieve. We are pursuing these same aims today. I hope that we shall continue to do so until they are achieved and the last trainload of British troops leaves Germany.

The pace at which we travel towards our objectives varies according to the success which we achieve from time to time. The methods which we employ are flexible in order that account may be taken of changing conditions. Our aims do not vary.

In the first place we have set for ourselves the task of ensuring that Germany shall not again embark upon a war of aggression against other nations. Secondly we have set out to destroy Nazism. These may be called our destructive aims. In large measure they have been achieved already. Germany is disarmed.

The final decision has been taken with regard to the reduction of her war potential. This decision is embodied in the new level of industry plan which has been established by agreement between ourselves and the Americans for the Combined Zones. In fulfillment of that decision a list of factories has been published which are to be dismantled and delivered as reparations to countries which suffered from German aggression during the war.

I do not propose to discuss this plan further today. I have already given my views about it very clearly and all that I will say now is that it represents a final decision and a settlement which is generous to Germany.

WE REGARD NAZISM as an effective force in German affairs as being dead, but I should hesitate to say that the spirit and mentality which prompted the creation of the Nazi party exists no longer. However, so far as we are concerned, matters have entered the final phase.

We are now handing over responsibility for denazification to you, that is to say, to your chosen representatives in the Laender Governments. Hereafter our main interest is to see that the whole process shall be brought effectively, but speedily, to an end. We shall also be strong in discountenancing any action which appears to be based upon vindictiveness or personal spite.

So much for the destructive side of our policy. On the constructive side we aim to recreate a democratic way of life in Germany, and we aim to assist Germany to recover her position as a self-respecting member of the comity of peaceful nations. It is always more difficult to build than to destroy.

We are as yet a long way from the achievement of our constructive aims. I feel, however, that we have now a better hope of making progress

towards them from the fact that from now on we can focus our whole effort upon them.

The important decisions of disarmament, demilitarization, and denazification have been taken. The sooner those decisions are carried out in full, the better because then we shall all — British and Germans alike — be able to think about nothing else but building up.

SOME PERSONS are apt to smile when we say we wish to recreate a democratic way of life in Germany. It is surely a very ambitious wish. The conditions for preaching democracy are not entirely favorable. Yet I am convinced that when our record is written it will be found that our work in this field has been more important and will be more lasting than anything else which we do here.

I am not going to attempt to define democracy for you. I will, however, say that in our conception the fundamental condition for the existence of democracy is that there should be freedom. We want to see the individual man and woman in Germany free to think his own thoughts and to express them, free to choose his own rules, free to read the newspapers which appeal to him, free to move about his country without let or hindrance, free to worship as his own conscience dictates.

That is why we tolerate in the British Zone many things which are not normally tolerated by an occupying power. Some things, indeed, which are not tolerated in all the zones of Germany even today. The fact that our toleration is sometimes abused does not distress us unduly though it may compel us to correct the abuse.

That democracy has gained in strength during the past two and a half years is evidenced by certain positive achievements. A trade union movement on truly democratic lines has been reborn and is already a

powerful influence for good in our zone. Governments run by chosen representatives of the people are functioning after 13 years of atrophy. More liberal ideas have been injected into the educational system.

Of course, much remains to be done. I do not feel that we have yet convinced the responsible German authorities of the rightness of our ideas regarding the administration of the police. It is our view that the policeman should be the friend and the servant of the people. It is in our opinion extremely necessary to ensure that the police force shall not again become a weapon in the hands of an ambitious politician.

Again I do not think that we have yet succeeded in obtaining acceptance of our ideas regarding the essentially non-political character of the civil service. I know too many cases, quite recent ones, where the efficient civil servants have been victimized on account of their political views. I know of other cases where civil servants have taken quite an improper part in political controversy.

In this connection I should like to say that we never ask you Germans to do things in the British way merely because it is the British way. If we ask you to adopt certain methods it is because we sincerely believe that they are good methods.

Before leaving this question I should also like to say this. When I speak of it being our aim to recreate democracy in Germany, I do not wish to give the impression that we think that we can do this thing alone. We can only do it with the cooperation of the German people themselves and in particular with their leaders: the leaders of the political parties, trade unions, and leaders in the educational field.

IT HAS BEEN SAID that the plant of democracy cannot flourish in a hungry land. I am not sure that such a statement can be justified from history, but I have in any case no wish to dispute the urgent necessity for removing from Germany the threat of hunger. It is, of course, true that the people of many nations are getting much less to eat than they want, but it is also true that

the situation in Germany is that they are getting less to eat than they need.

Our aims in the economic field can be summarized very briefly by saying that we want to see a revival of the economy of the Combined Zones at as rapid a rate and to as great an extent as possible. This is not inconsistent with the new Level of Industry Plan because the level set in that plan cannot in any case be reached for some years to come.

To be more specific about our economic aims, they are first and foremost that the ration should be maintained from now on at its present level until it is possible to raise it, and we wish to raise it to 1,800 calories a day for the ordinary consumer just as quickly as the necessary food can be made available. But food is very scarce in the world today. This is a fact which I am afraid some of you occasionally overlook. You are quite wrong if you think that we could get more food for Germany if we would only try.

Secondly, we aim to increase coal production in the British Zone to 300,000 tons a day immediately and to its prewar level as soon as possible. We aim to effect an immediate improvement in the transport situation. As regards industry, the new plan is a clear objective and shows the way in which we consider that the export trade should be built up.

An increase in exports is immediately necessary in order to relieve the burden of the taxpayers of America and Great Britain, but it is also essential from the point of view of the Germans. It cannot possibly be in the interests of Germany that she should continue to depend on charity. Her self respect and independence will be greatly enhanced when she is no longer in this position. That is a brief description of our economic objectives.

BEFORE LEAVING the subject I should like to make the same point which I did a few minutes ago when discussing the political question. The economy of the country is in a perilous condition at present. You Germans cannot restore your economy alone and unaided. We, the occupying

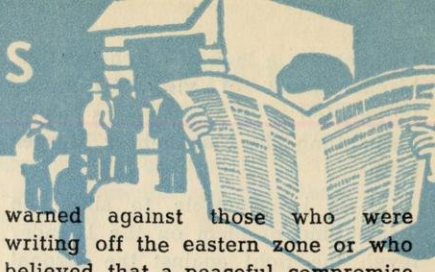
powers, cannot restore it for you; but if you and we work together we can do this thing, and since our objective is a common one there is every reason why we should work together.

This country has been for so long cut off from close contact with the outside world that it would be excusable if its people at times forgot that Germany is an integral part of Europe and that her problems cannot be considered in isolation from Europe as a whole, indeed from the civilized world. For this reason our aims in Germany are fixed within the framework of our aims in Europe. For example, we aim to see a united Germany, not merely because we believe that the Germans will not be happy until they are united as a country, but also because we hold that the future stability of Europe requires a united Germany.

Moreover, we aim to reach agreement with our Allies over the German problem because we do not feel that peace in the future will be safe unless there is agreement on this most vital of all problems. The contact which we have with our Allies in Berlin represents in itself a bridge across which better understanding can be reached. We attach great importance to the maintenance of that bridge.

In conclusion I will say that we believe that our aims in Germany can best be achieved by transferring to German shoulders an increasing responsibility for the management of German affairs. It is not our desire to administer this country. There are certain principles of administration to which I have made reference and which we hold to be of great importance. We shall insist upon the observance of these principles. That, however, does not mean we wish to take a direct part in the administration of the country for one month longer than is necessary, nor that we desire to interfere any more than is essential to ensure the observance of our principles.

In fact it is my strong feeling that only by transferring to Germans the responsibility for the management of their own affairs, including the balancing of their economy, can we ensure that German leaders will act in a really responsible manner.



Caution Greets News Policy

The new MG program to explain the advantages of the American conception of democracy was treated cautiously by the German press of the US Zone. Many of the papers restated the fact that none of them was ordered to join in the program and that the attitude of each editor was left to his own judgment.

The feeling that German unification was now remote and the fear of possible war prompted a majority to emphasize solidarity with the eastern Germans. Conservative editors called for social reform to assimilate the diverging areas of Germany.

The **Frankfurter Neue Presse** emphasized that the US-licensed papers have received neither an order nor a hint to indulge in anti-communism and that the information campaign is not to lead to personal attacks against foreign governments, military governments, or personalities. It declared:

"People who might rashly conclude that now the old banner of anti-communism can be resuscitated will have to be reminded that once before anti-communism was used to put the political power over Europe into the hands of criminals and idiots. . . . We stand against fascism and against communism, but also against the 'antis' because we can see through them. We are for democracy as a form of life."

The **Rhein-Neckar-Zeitung** (Heidelberg) praised the US and British press policies in contrast to those of the Soviet Zone, saying:

"General Clay has revised the news policy of his Military Government to answer the communistic agitation; but even so, he does not order the German press to support this campaign, but merely confirms its freedom to state convictions. . . . It is up to us today to use every possibility and all our strength to prevent the divid-

ing line that crosses our country from becoming an abyss. . . ."

"If we permit ourselves to be made satellites of an ideology that does not correspond to our convictions, we will not gain the respect of the world that we so bitterly need. . . . If we are independent, we must be the mouthpiece of the German public in dealing with the military governments, not for destructive opposition but as a partner in a constructive conversation."

The **Hochland-Bote** (Garmisch-Partenkirchen), remarking that at long last the US Military Government has emerged from its reserve, said: "The heavy attacks of communism are no longer accepted without reply."

The **Nordsee-Zeitung** (Bremen) described the announcement of the MG program as "not a challenge but an answer." The paper said that those parts of Germany which felt bound to ACA agreements had for two and a half years been subjected to a "constantly increasing barrage of party propaganda, while they themselves felt bound to silence. Not only that, but they had not even the paper on which they might have answered. Now it will be different."

The **Muenchner Mittag** (Munich) called the statement a fighting challenge to communism, but went on to define its own differing views. It

warned against those who were writing off the eastern zone or who believed that a peaceful compromise with Russia was impossible.

The paper described the realization of social justice as "the dream of communism and a highly desirable aim. . . . Social conscience has awakened within us too. . . . Negative criticism of communism would not bring us closer to the German men and women on the other side of the Elbe River who are counting on us. The communist philosophy can be overcome only by social action."

What Did Soviet Press Do?

The **Sueddeutsche Zeitung** (Munich) cited the great impression made on its editors by a leading American newspaper in reporting the speeches of the Soviet deputy foreign minister in New York. It said:

"Vishinsky dominates the 'New York Times' of 19 September: four pages belong to him. . . . and the reader can find out in that way what a malicious paper he is reading. He may even be tempted to look at his fingers to see if they have not become bloodied while touching this news-sheet.

"Because the sins with which Mr. Vishinsky in high dudgeon reproaches the 'capitalist press' are so monstrous, one feels like emigrating to some country where humanity is better, like the Urals or Siberia. . . . The American readers can read all those accusations and even discuss them in public and make them the basis of sharp criticism of existing conditions.

"What we would like to know is: Has any Russian or Russian-influenced press carried the full text of. (US Secretary of State) Marshall's answer?"

Reparations Criticism

Editorial comment in the German press on the new list of reparations plants tended to turn against the German authorities, especially in the

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.

Laender, for a lack of a constructive, bizonal point of view. Exhibiting indignation over discussions about dismantling, the **Mannheimer Morgen** said:

"It is irresponsible to shift the dismantling problem on the Laender level; the fight against the Bizonal Economic Council is beginning to threaten our very existence . . .

"Our ministers should not indulge in cheap protests, but should stay at home and see to it that in a few weeks a comprehensive west German industrial plan on the basis of the dismantlings is devised.

"This plan should be used to point out where it has been in error. There is no use complaining about not being called to collaborate before one has convinced the occupation authorities that such collaboration would be worthwhile."

Confidence of Germans

The **Stuttgarter Zeitung**, commenting on the results of General Clay's recent visit to Washington, particularly since he has a freer hand to determine policies, said:

"The considerations that have led Washington to this solution are easily guessed: recognition of what General Clay has achieved in Germany up to now, but also realization that the personal experience and knowledge of the people and problems which the General has acquired in daily contacts in Germany cannot be inherited by a successor, nor would a successor enjoy that confidence of the Germans which General Clay has acquired in the course of his work."

Nazi Demonstration

The **Suedost-Kurier** (Bad Reichenhall) reported a spontaneous Nazi demonstration in Muehldorf when a former SS lieutenant was sentenced to five years internment. The Spruchkammer chairman was insulted on the street, and a car with prosecution witnesses was stoned. The paper pointed to the alarming fact that spectators showed no indignation, that there was no sign of a counter-demonstrations. It declared:

"The fact must not be overlooked that Nazi propaganda is flourishing on the soil of a systematic campaign against the occupying power. It is absolutely necessary that well-considered measures be taken against abuse of freedom of opinion and against terrorist demonstrators. At the same time, however, the need arises to help democracy come to life by eliminating the general moral and material distress."

The **Main-Post** (Wuerzburg) commented with unusual sharpness on a change in the leadership of the police in the Bavarian province of Lower Franconia. Dr. Mathern, who was a victim of fascism, has been dismissed. The paper said:

"With him the last president of police in Bavaria who was put into office by the Americans . . . has been removed from his position."

One Hartmann, a former lieutenant colonel who is awaiting denazification, has been selected to succeed Dr. Mathern. He is accused of having exerted "militaristic terror" while in a PW camp in the United States.

The **Niederbayrische Nachrichten** (Straubing) wrote indignantly about a Nazi speech made by Father Roth, chaplain of the Dachau internment camp, to Nazi internees at Langwasser, and called on officials to crush such manifestations of reviving Nazism. It declared:

"Father Roth stated among other things that much is said against dictatorship nowadays but that freedom is being misused; he called the Church's moral laws arbitrary inventions and demanded a religion of nature. According to Father Roth there are three great natural laws: 'heroic right to existence,' the natural law of authority ('because Germans must have a bell-wether, they must be led'); finally the law of aristocracy—(only the strong have a right to live).

"One can almost think one is listening to Rosenberg's 'Mythus' ravings. The democratic state will for the second time dig its own grave, if it does not direct its close attention to such matters . . . It cannot be too often repeated that the state and its officials are guilty if, out of indulgence, weakness or incompetence, they fail in this."

Bizonal Council

The **Offenbach Post** found it "revealing and very interesting that the newly created Bizonal Economic Council that so far had remained largely unknown is gaining popularity through unpopular measures.

"The Bizonal Economic Council had to take extraordinary legislative measures due to the rising pressure of public distress as well as to the non-approval of the empowering law by the Bipartite Control Office.

"Probably potato growers and potato surplus districts will now be unhappy about the confiscation of the entire potato crop . . . However, the Economic Council demonstrated that it recognized the seriousness of the situation and that it is willing to use its legislative powers promptly in an emergency."

Official Criticized

The **Schwabische Landeszeitung** (Augsburg) reproached Dr. Hundhammer, Bavarian Minister for Religion and Education, an undemocratic attitude towards the press.

"It may be an unaccustomed feeling . . . for a Minister in Germany to find himself continually subject to the scrutiny of the independent editors who do not stand in awe of government authority. However, insinuations such as 'Who still believes what he sees in the papers?' betray a secret desire for press dictation, which would suppress everything unpleasant for 'reasons of State.' This is especially amazing in a politician who regards himself as an emphatic opponent of collectivism."

Gift Brings Thanks

The **Stuttgarter Nachrichten** reported touching scenes in Stuttgart during distribution of \$6,000 worth of lard, contributed by the Chicago "Schwabens-Verein" (Swabian Union).

"Gratitude, surprise, joy, and much more show in the faces of the recipients and are expressed by an embarrassed 'thanks.' A young woman places an etching of old Stuttgart on the table and asks timidly if it could be sent to the donors in America. She says she has nothing else."

Village Thanks US For Child Feeding Plan

The Hessian leather-working village of Muelheim has expressed, in the form of a hand-lettered resolution bound in a leather portfolio, its appreciation to the American people for the child feeding program. The portfolio, tooled by Muelheim artisans, was presented to Maj. William R. Sheehan for transmittal to the United States. Major Sheehan is Senior Liaison and Security officer for the Landkreis Offenbach.

"The feeding of our children, initiated in June 1947, in accordance with the Hoover Plan, has enabled us to prepare highly substantial meals and has resulted in a considerable improvement in the state of our children's health," the resolution said. "We thankfully appreciate this act of Christian charity."

Mayor Anton Dey of Muehlheim reported that 188,352 meals have been consumed by selected undernourished school children from six to 18 years of age in his town and its suburb of Dietzheim, since the opening of the program. Twenty-five tons of food stocks, he said, went into preparation of the lunches, which averaged between 350 and 400 calories each. Meat, lard, beans, peas, milk powder, chocolate, cookies, canned fruit, and cake have been served from time to time on various menus.

Karl Nover, acting Landrat of Offenbach, thanked Military Government for its part in bringing the program to reality. He expressed hope that children benefiting from the plan would appreciate the help they are receiving from abroad.

Major Sheehan, in reply, said Americans will always support humanitarian endeavor throughout the world, and asserted: "The United States will never forget needy children, wherever they may be."

On Bizonal Basis

Negotiations between Military Government and bizonal agencies concerned have resulted in the decision to make future allocations of materials and supplies to the Reichspost organization on a bizonal rather than a Land basis.

Germans Move to Towns

THE REVERSAL of the long-time pre-occupation movement of the German population toward the cities was graphically illustrated in a US Zone study made by the Land statistical offices at the instigation of Military Government.

The research showed that because of the war the housing facilities of all major cities were greatly reduced, resulting in the evacuation of many thousands of the population of the zone to small cities and rural communities.

In 1939, 26.3 percent of the population lived in cities of more than 100,000, whereas the population in

increased; the smaller the size of the community, the greater the increase. Rural communities of less than 2,000 increased on the average by 41 percent.

The sudden and substantial increase of population created many problems of food, housing, and transportation in the smaller communities. Community institutions likewise suffered.

THE IMPORTANT question is whether the present distribution of the population is temporary or permanent. When restrictions on movement are lifted, or at least modified, a great part of the immi-

Size of Community	1939		1946	
	Number of Inhabitants	Percent	Number of Inhabitants	Percent
0 to 1,999.....	5,400,304	39.3	6,524,000	40.2
2,000 to 4,999.....	1,704,022	12.4	2,612,000	16.1
5,000 to 9,999.....	869,367	6.3	1,535,000	9.5
10,000 to 19,999.....	657,933	4.8	839,000	5.2
20,000 to 49,999.....	855,332	6.2	1,014,000	6.2
50,000 to 99,999.....	641,909	4.7	706,000	4.3
100,000 & above.....	3,605,142	26.3	2,965,000	18.3
Refugee camps.....	—	—	28,000	0.2
	13,734,009	100.0	16,123,000	100.0

1946 dropped to 18.3 percent. The proportion for the communities of less than 20,000 rose from 62.8 percent in 1939 to 71 in 1946.

Bavaria is a typical example of this reversal of movement between large cities and small communities. The four major cities of Bavaria lost 18.7 percent of their inhabitants between 1939 and 1946, whereas in all other communities the population

grated population now living in the country will migrate to the cities.

In time the developments since 1939 will be reversed, although it is predicted that even with a new equilibrium between rural and urban districts, rural communities will continue to have on the average an essentially higher population than before. (From Civil Administration Annex of Military Governor's Report No. 27.)

EUCOM Handles Visits to Assembly Centers

BECAUSE of the increased number of requests for permission to visit assembly centers for United Nations displaced persons, a single channel for clearing visitors has been established. All requests for visits to assembly centers in the US Zone will be referred to EUCOM, in Frankfurt, which will coordinate all inspections of displaced persons with the Preparatory Commission of the International Refugee Organization, (PCIRO) and, where appropriate, with the US Zone Commander's Advisor

on Jewish Affairs or his Political Advisor.

PCIRO, because of lack of funds and an inadequate administrative staff, is not able to undertake the support once given UNRRA to the Universities of Munich, Heidelberg, Marburg, and Frankfurt for educational opportunities offered to displaced persons.

However, PCIRO intends to continue the presents technical and vocational installations largely operated within assembly centers.

Industrial Production Down 5% in September

INDUSTRIAL PRODUCTION in the US Zone decreased more than five percent in September from the level reached in May, June, and July, as Germany experienced its longest drought in 30 years.

An index prepared by the Economics Division, OMGUS, showed that the volume of such production was 48, compared to the August figure of 51. These figures were based on the 1936 average of 100.

Generation of electricity by water power in September hit the lowest point since the beginning of the occupation. At 157,000,000 kilowatt-hours, it was 37 percent lower than in August and 50 percent below that of September 1946. Consumption had to be reduced by severe restrictions on consumers, especially industrial. Switch-offs had to be imposed in most localities.

Some industries experienced additional absenteeism as workers went to the fields to join in harvesting the crops, and continued scarcity of coal and transportation added to the depressing influence of the water and electricity famine.

Nevertheless, hard coal production in the British Zone reached almost a 241,000-ton daily average for September, 1.6 percent above that for August and the highest since the occupation began.

Declines were registered in six industrial groups. The largest of these industries, chemicals, was down 26 percent from the August level; vehicles, 22 percent; stones and earths, 11 percent; saw mills, 10 percent; electricity and gas, six percent, and machinery, five percent.

Five other groups remained steady or only slightly changed: ceramics, textiles, optics, electrical products, and paper and pulp. Production in five industries rose, iron and steel, glass, mining, and leather gaining from three to six percent each, and the rubber industry rising 27 percent.

OFFICIAL INSTRUCTIONS

Circular No. 83, **Medical Care in the European Command**, Hq EUCOM, 8 October 1947.

Signal SOP No. 47, **Telephone Directories**, Hq EUCOM, 15 October 1947. Supersedes Signal SOP No. 47, 1 February 1947.

Technical Memorandum No. 8, **Reservation of Space on Military Duty Trains**, Hq EUCOM, 16 October 1947. Gives substitutions for Technical Memorandum No. 2, Hq EUCOM, 24 April 1947.

Weekly Directive No. 11, Hq EUCOM, 24 October 1947. Gives list of following sections:

Sec I—**Smallpox Vaccination**, AG 720.3 MCH.

Sec II—**Statement on Food Conservation by Secretary of Defense**, AG 430 CGM.

Sec III—**Distribution of Weekly Directives**, AG 461 AGO.

Sec IV—**Replacement Factors and Consumption Rates**. States that units and major commands need no longer furnish report required in reference letter War Department, AGAO-S 400, 27 February 1947, D-M.

Sec V—**Assignment of Officers to the 7738th AES Group**, AG 210.3 SSP.

Sec VI—**Uniform Regulations for Foreign Liaison Personnel**, AG 322.01 ALC.

Sec VII—**Reenlistment Leaves**, AG 220.711 GPA. Gives substitutions for Section XI, Weekly Directive No. 6, Hq EUCOM, 19 September 1947.

Circular No. 87, Hq EUCOM, 29 October 1947. Section I—**Emergency Medical and Ambulance Service**; Section II—**Hunting and Fishing Policy**; Section III—**Establishment of the EUCOM Exchange System**.

Weekly Directive No. 12, Hq EUCOM, 31 October 1947. Gives list of following sections:

Sec I—**Christmas Mail**, AG 311.1 AGM. Pertains to the peak period

and plans for handling the increased flow of mail.

Sec II—**Preparation of Ice Cream**, AG 430 MGH.

Sec III—**Military Police on Military Duty Trains**, AG 322 PMG.

Sec IV—**Unit Postal Records**, AG 313.3 AGM. Gives substitution for Circular No. 11, EUCOM, 3 April 1947.

Sec V—**Preparation of Enlistment Records, Regular Army, WD AGO, Forms 21**, AG 200.4 GPA.

Sec VI—**Travel to Yugoslavia**, AG 200.4 GPA. Cites regulations governing travel for prospective visitors.

Sec VII—**Travel to Holland**, AG 200.4 GPA. Cites information for guidance.

Sec VIII—**Processing Personnel for Return to the Zone of the Interior**, AG 370.5 GPA. Pertains to hand and hold baggage accompanying personnel.

Sec IX—**Closed Vehicles for Signal Messenger Service**, AG 451 SIG.

Sec X—**Operational Status Reports**, AG 319.1 GSP.

Sec XI—**Foreign Service Tours of Military Personnel**, AG 210.31 GPA.

Sec XII—**Duty Uniform for US Military Police in the European Command**, AG 332.31 CPA.

Amendment No. 1 to the Military Government Order Providing for Disposition of Certain Coal Properties, 1 October 1947, AG 010.6 (ED), OMGUS, 3 November 1947.

Subsources Printed and Available for Issue to Students as of 10 August 1947, AG 352, 3 November 1947. Refers to "Army Extension Courses."

Black Market Goods

The rural police of Hesse have increased their checks of highway traffic in order to curb black market activity and illegal dealing in food items. In one Land-wide four-hour check of all main roads, almost 68,500 pounds of food and 503 bottles of wine were confiscated.

In another black market seizure in Hesse, two tons of potatoes, 700 pounds of white flour, 200 pounds of rye, and 200 pounds of beans were found hidden behind a stack of mail parcels in a Reichspost mail truck from Duesseldorf, North Rhine--Westphalia.

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