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INTERNMENT CAMP THEATER



WEEKLY INFORMATION BULLETIN



UNITED STATES ZONE, GERMANY

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- VAIHINGEN
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- WAIBLINGEN
- GMÜND
- STUTTGART
- ESSLINGEN
- GMÜND
- BÖBLINGEN
- NÖRTINGEN
- GÖPPINGEN
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MILITARY GOVERNMENT

OFFICIAL INSTRUCTIONS



WEEKLY INFORMATION BULLETIN

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

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

OFFICIAL INSTRUCTIONS

Eligibility of War Department Civilian Employees for Transporting their Dependents to the European Theater	AG 230 GAP-AGO 10 Feb 1947, USFET
Follow-up Reports on Serious Incidents	AG 250 GAP-AGO 11 Feb 1947, USFET
Agreement for US and French Rights in French and US Zones of Occupation	AG 092 GDS-AGO 13 Feb 1947, USFET
Travel Into and Out of German	AG 014.331 GEC-AGO 15 Feb 1947, USFET
Military Posts	AG 322 GCT-AGO 21 Feb 1947, USFET
Movement and Documentation of Supplies in the European Theater	SOP No. 24 22 Feb 1947, USFET
Allied Military Missions	AG 091.112 (SG) 25 Feb 1947, OMGUS
Application for Visits of Dependents of Military and Civilian Personnel	230 (BCSAP) 27 Feb 1947, OMGUS
Supply Responsibilities for Official US Publishing and Film Operations	AG 000.7 (IC) 27 Feb 1947, OMGUS
Relationship between Post Commanders and Elements of 970th Counter Intelligence Corps Detachment	AG 322 GCT-AGO 27 Feb 1947, USFET
Hospital Ration for Civilian Internees under Direct Control of US Forces	AG 430.2 GEC-AGO 27 Feb 1947, USFET
Publications and Blank Forms	Circular No. 15 28 Feb 1947, USFET
Non-German Information Enterprises Licensed to Operate in US Zone	AG 000.7 (IC) 28 Feb 1947, OMGUS
Care and Feeding, in Approved Assembly Centers, of United Nations Displaced Persons, Persecutees and Those Assimilated to them in Status	AG 383.7 GEC-AGO 28 Feb 1947, USFET
Purchase of Surplus Property by US Military Personnel, Civilian Employees, etc.	SOP No. 85 1 Mar 1947, USFET

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Signal Corps Photo

INTERNMENT CAMP THEATER — The picture on this week's cover shows a group of men at the Darmstadt Internment Enclosure rehearsing a play to be presented for the entertainment of other internees at the camp. More than 11,000 Germans are interned at Darmstadt, awaiting trial by denazification tribunal.

OUR CONTRIBUTORS

"Consumers' Cooperatives" was prepared by Malcolm D. Taylor, US Member of the Special Working Party on Consumer Cooperative Societies. Most of the factual data are based on studies made by the US Bureau of Labor Statistics. Prior to joining the Trade and Commerce Branch of the Economics Division, OMGUS, Mr. Taylor was Professor of Marketing at the University of North Carolina.

Material for the story on the port of Bremen was submitted by OMG Land Bremen. The article explains the operation and importance of the port which handles all shipping and cargoes for the US Zone.

MG SERIES

The recent series in the Weekly Information Bulletin on the operations and functions of Military Government is being compiled into a book. Requests by US personnel in Germany for copies of this book are to be made by letter or carrier sheet to the Control Office, OMGUS, APO 742, US Army.

THIS WEEK

OFFICIAL INSTRUCTIONS	2
HIGHLIGHTS OF POLICY	
Theater Reorganization Plan	4
Consumer Cooperatives	8
The Bremen Port	10
Bizonal Organizations	14
Position of Advisory Parliament	19
GENERAL	22
GERMAN REACTIONS	24
PRESS AND RADIO	27

THEATER REORGANIZATION PLAN

The streamlining of American occupation in Germany was accomplished 15 March 1947 with the inauguration of the latest reorganization program to define the respective functions and activities of the military and military government forces.

Gen. Joseph T. McNarney, who has been the Theater Commander, Military Governor, and member of the Allied Control Council since November 1945, when General Dwight D. Eisenhower left the Theater to become Chief of Staff of the US Army, is returning

to the United States to assume new responsibilities in setting up of the US Forces under the security provisions of the United Nations.

Lt. Gen. Lucius D. Clay, who has been Deputy Military Governor in direct command of Military Government operations, succeeded General McNarney under the new title of Commander-in-Chief, European Command, as well as becoming the Military Governor, and the US Representative on the Allied Control Council for Germany.

At the formal ceremony in Frankfurt

Lt. Gen. Lucius D. Clay accepts office and title of Commander-in-Chief, European Command, from Gen. Joseph T. McNarney, former Commanding General, USFET, at ceremonies in Frankfurt on 15 March.

Signal Corps Photo





of German youth. He also declared: "Here in Germany, our forces are devoted to the tasks of peace. We shall continue our work in full hope that when our mission is completed, peace and security will have been guaranteed throughout the world by the United Nations."

During the ceremony, General McNarney presented General Clay the Oak Leaf Cluster to the Distinguished Service Medal for his services during the "troubled period of adjustment" from April 1945 to March 1947 as characterized by his "astute planning, keen political acumen, forceful determination, and superb tact."

With this change in command, a further integration of US forces and organizations has taken place. To assist and advise him in overall operations and policies, General Clay

(Left) Lt. Gen. Lucius D. Clay, Commander-in-Chief of European Command, Military Governor for Germany (US), and US Representative on the Allied Control Council
(Below) Maj. Gen. Frank A. Keating, Deputy Military Governor and Commanding General of OMGUS.

Photos by PRO OMGUS

15 March marking the transfer of command, General McNarney said the US occupational forces were entering the second phase of their task — "the longterm job of guidance of the German people in their economic, political, and social rehabilitation according to democratic principles." He asserted: "As the functions of Military Government were progressively to a greater and greater extent separated from the purely military function, one individual in the theater assumed more and more responsibility for the economic, political, and social rehabilitation of Germany. That man is General Clay. Therefore, it is only fitting that as Military Government assumes the dominant role of the US Forces in Europe, he should assume complete responsibility."

In accepting the command, General Clay praised the work of the retiring Military Governor and Theater Commander, especially the US Army's interest in the rehabilitation



has created the Office of the Commander-in-Chief, with headquarters in Berlin. This office consists of a special staff as follows: Political, Governmental Affairs, Finance, and Economics Advisors; Budget and Fiscal, Management Control, Intelligence, and Personnel Directors, and Inspector General.

The Headquarters, US Forces, European Theater, becomes Headquarters, European Command, under command of Maj. Gen. Clarence B. Huebner as Deputy Commander-in-Chief, European Command, in addition to his duties as Chief of Staff, European Command, and Commanding General, US Ground and Service Forces, Europe. The headquarters remains in Frankfurt. The European Command contains all of the units and personnel necessary for security, services, supply, and administrative support of all US organizations, units, agencies, and personnel connected with the occupation of Europe. Under Headquarters, European Command, are US Air Forces, Europe; US Ground and Service Forces; US Constabulary; US Naval Forces, Europe; US Forces, Austria; American Graves Registration Command, as well as 21 military posts scattered through the US Zone of Germany and the US Sector of Berlin.

POSITION OF OMGUS HEADQUARTERS

The Headquarters, Office of Military Government for Germany (US), remains in Berlin. Maj. Gen. Frank A. Keating, who has been Assistant Deputy Military Governor, is the new Deputy Military Governor, US Zone, Germany, and the Commanding General of OMGUS.

OMGUS is specifically charged with carrying out those functions pertaining to Military Government as set forth in international treaties and agreements; Allied Control Council Laws, decisions, and actions; the laws of the United States; executive orders of the President of the United States; orders, regulations, and directives of the War Department; and the policies, programs, orders, and directives of General Clay, the Commander-in-Chief, European Command.

Under Headquarters, OMGUS, are the Regional Offices of Military Government, each

of which is under the command and control of a Director, who in turn is under the overall command of General Keating, the Deputy Military Governor. These Regional Offices of Military Government are as follows: OMG-Land Bavaria; OMG-Land Wuerttemberg-Baden; OMG-Land Hesse; OMG-Land Bremen; and OMG-Berlin Sector. Under each of these offices are Liaison and Security Detachments strategically located throughout each Land.

The General Orders establishing this reorganization provide that the basic mission of EUCOM is to support OMGUS and its subordinate units, agencies, offices, and personnel in the accomplishment of the missions of Military Government. Supervision of control, maintenance, and care of displaced persons; coordination with UNRRA and successor agencies, and supervision of coordination of the responsibilities between the respective echelons of command of EUCOM and OMGUS is continued by the Office of the Director of Civil Affairs, EUCOM, formerly designated as the Office of Assistant Chief of Staff, G-5, USFET.

Under provisions of the General Orders, General Huebner, the Deputy Commander-in-Chief, EUCOM, and the Commanding General, US Ground and Service Forces, Europe, is authorized to take final action on matters delegated to him by the Commander-in-Chief, EUCOM, including matters relating to the command of US Ground and Service Forces, Europe, and to housekeeping and security responsibilities of European Command and its major commands, but all undelegated matters are reserved to the Commander-in-Chief, EUCOM.

Eight members have been named to the Office of the Commander-in-Chief, European Command. These are:

Maj. Gen. W. A. Burren, Assistant Chief of Staff G-2, USFET, as the Director of Intelligence, EUCOM.

Col. J. J. Dubblede, Theater Budget Director, USFET, as the Budget and Fiscal Director, EUCOM.

Maj. Gen. Edwin P. Parker, Jr., Theater

Inspector General, as the Inspector General, EUCOM.

Ambassador Robert D. Murphy, who has been Political Advisor to the Military Governor and Deputy Military Governor, as Political Advisor, EUCOM.

Col. David L. Robinson, Jr., Control Officer of OMGUS, as the Director of Management Control, EUCOM.

Mr. Henry Parkman, Director of the Civil Administration Division, OMGUS, as Governmental Affairs Advisor, EUCOM.

Mr. Jack Bennett, formerly Director of the Finance Division, OMGUS, as Finance Advisor, EUCOM.

Maj. Gen. W. H. Draper, Jr., formerly Director of the Economics Division, OMGUS, as Economics Advisor, EUCOM.

The Director of Personnel, Office of the Commander-in-Chief, EUCOM, will be announced later.

The growth of the organization known as Military Government for Germany (US) to its place in the present streamlined program has been one of evolution. Long before the fall of Germany much thought, planning, and study was given to the problem of governing Germany after her defeat. But the rapidity with which that defeat was accomplished threw these orderly plans badly out of gear. Consequently it was necessary to build and operate at the same time, so the organization of Military Government grew by progressive steps out of the military organization with which the defeat of Germany was accomplished.

Beginning with SHAEF, the term for Supreme Headquarters, Allied Expeditionary Forces during the period when the Allies were engaged in military operations in the west, Military Government originated in the US Headquarters (ETOUSA) as the G-5 General Staff Section. This was staffed by personnel specially trained for Military Government activities.

Then, entirely outside of the command channel from General Eisenhower and Headquarters ETOUSA to the armies and army groups in the field, there was set up the US Group Control Council for Germany. This

unit was originally stationed at Hoechst, near Frankfurt, but was moved to Berlin in July 1945 to act with the other occupying powers in the Allied Control Authority, and ultimately became the Office of Military Government for Germany (US).

Within the lower echelons of the US Army, particularly in the Western Military District, there was also being developed the nuclei of Military Government activities. These became the Military Government units known as the Offices of Military Government for Bavaria; for Wuerttemberg-Baden; for Hesse; for the Bremen Enclave; and for the US Sector of Berlin.

* * *

Text of the address by General McNarney at the ceremony 15 March follows:

As I officially place in the hands of General Clay the command of the United States Forces in Europe, I wish to express my personal thanks to each individual member of this command whose effort has made possible the success so far achieved. That success has only been attained through the devotion to duty and willing cooperation of all elements of the Occupation Force — soldier, sailor, airman, and civilian.

To those of you who remain may I offer the thought that you are the guardians of an ideal for which over 155,000 Americans paid the supreme sacrifice. Those men and women placed upon you an obligation that cannot and must not be lightly regarded. These men and women, together with our Allies, most of whom are represented here this morning, forced the unconditional surrender of the once powerful Nazi machine. It is for you in cooperation with our Allies to insure for Europe and the world a just and lasting peace.

Much has been accomplished since May 1945, but much remains to be done. There are only a few now here who are personally familiar with the devastated, disorganized, demoralized Germany that then became our charge. However, you all are familiar with the progress made in demilitarization, denazification, decartelization; in the restoration

(Continued on page 20)

CONSUMER COOPERATIVES

German families who have traded at consumer cooperatives for more than a century once again may have a chance to return to their old custom of sharing in the responsibility and profits of local stores.

When quadripartite decisions have been reached concerning the return of cooperative property to its rightful owners, the cooperative stores will begin to function. Several societies in the US Zone have been reestablished and the opening of stores is awaiting the ACA ruling. There are 10 newly formed societies in Wuerttemberg-Baden; Hesse has seven and plans to reestablish 4 or 5 more in the next few weeks. Although these are at present just "paper organizations," it is probable that their total membership in the two Laender will exceed 300,000.

ACA approval will permit the formation of many cooperative societies in accordance with provisions set down by the four occupying powers. Meanwhile, in the US Zone the minister president of each Land has been authorized by MG to permit the voluntary organization of cooperative associations — provided they follow certain democratic principles. For the time being the activities of nontrading unions which supply auditing, promotional, educational, and advisory services to member societies and associations, will be limited to a single Land. However, trading cooperatives from one or more Lands will be permitted to group together into associations and operate wholesaling, storing, manufacturing, and processing enterprises in order to bring about economies in the distribution of commodities to consumers.

But officials discussing consumer cooperatives on the quadripartite level have a

difficult puzzle to solve before these societies once again can function. Prior to Nazi domination, Germany's two great central wholesale federations — at Cologne and Hamburg — had member societies and operated manufacturing plants in more than one zone. For example, the Hamburg association had some of its largest food producing and packing plants in what is now the Soviet Zone. Its properties were widely scattered. It will be difficult to determine how such properties can be returned to their rightful owners, or indeed who the rightful owners are since the central federations no longer exist.

RESTORATION PRESENTS PROBLEM

In addition, the return of cooperative property is a thorny problem because membership of a reorganized consumer society may differ considerably from that of pre-Nazi days. If, as seems desirable, title is transferred to a new consumer group whose aims are similar to those of the former organization, shall former members who do not belong to the new society be compensated? What shall be done about the restoration of wholesale warehouses that were operated by the central federations — to whom shall they be restored and how? Shall the new or reorganized society assume charges for debts or accretions in property value?

As for property belonging to Nazi organizations, the Finance Directorate is formulating certain basic principles to be followed in all zones. Before property can be transferred, a new consumer society must be organized or an old society reconstituted. Since uniformity in all zones helps to preserve the



democratic character of these societies, a Special Working Party on Consumer Co-operative Societies was set up under the Trade and Commerce Committee of ACA. This group is formulating basic principles that must be incorporated in the charters of all consumer cooperatives — principles that will insure democratic control and prevent unjust discrimination.

MG officials believe that consumer cooperatives can fill a real need in Germany's disorganized distribution system. Prior to the Nazi regime, the associations were highly-efficient distributive organizations. In this respect, they were comparable to the chain grocery stores in the United States. Through their manufacturing and wholesale activities and the expert managerial advice given to local societies they made possible the distribution of good, dependable merchandise at reasonable prices. Many of the stores, located in neighborhood areas away from retail shopping centers, have escaped serious damage. Local societies can be organized without too much difficulty since there is a nucleus of former members in many com-

munities around which to build. War damage, the scarcity of goods, the difficulty of securing capable leaders, and the problems occasioned by zonal barriers and an unstable currency will make the efficiency of the re-organized movement compare unfavorably with that of pre-Nazi days. They may, as in the United States, find it exceedingly difficult, if not impossible, to compete with well-managed, privately-owned distributive enterprises.

RISE OF GERMAN COOPERATIVES

At the time that cooperatives became strong in Europe, competing retail organizations were notably inefficient and poorly managed. Although there were local co-operative societies in Germany as early as 1850, they did not assume much importance until 1903, when the Central Union of Consumers' Societies (Zentral Verband deutscher Konsumvereine) with headquarters at Hamburg was formed. The early societies and most of those organized subsequently followed the well-known democratic principles laid down by the Rochdale pioneers

(Continued on page 25)

THE BREMEN PORT

Germany's port of Bremen chalked up two records this winter: the worst weather in all its history, and the largest number of import-export tons handled on its docks since the war.

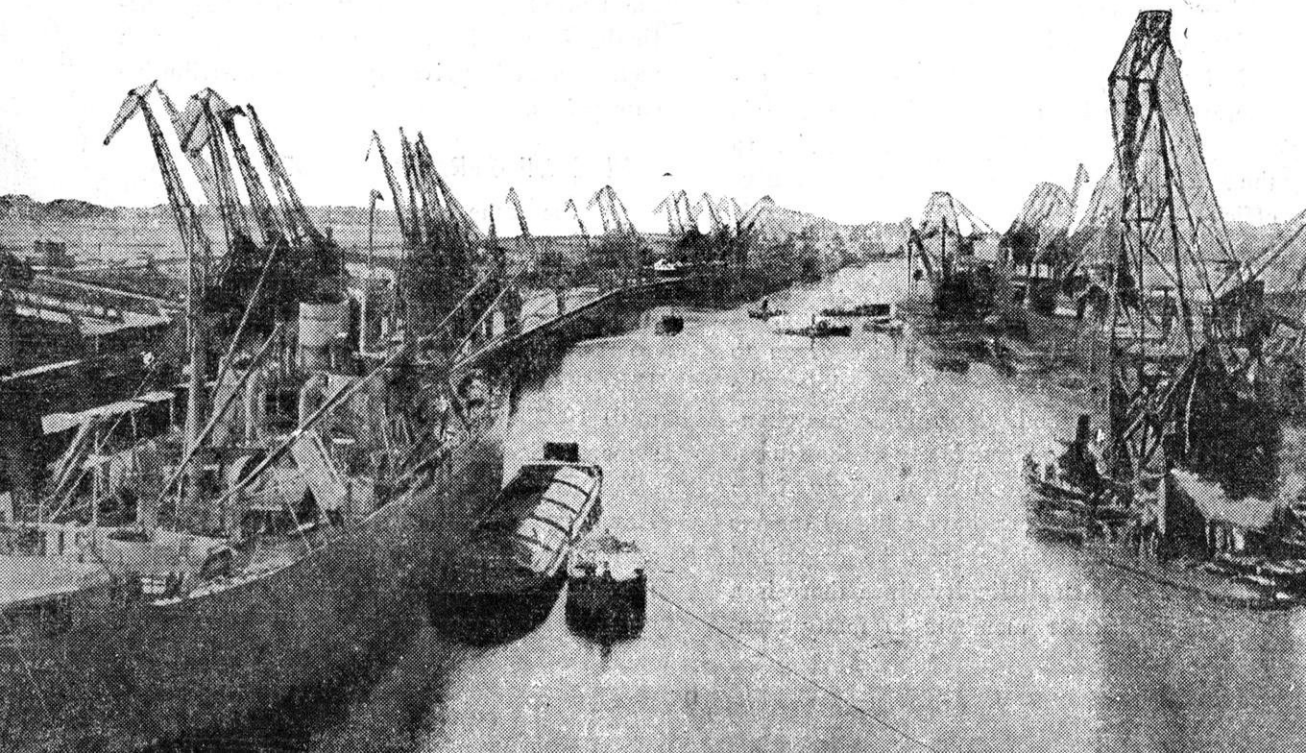
Two such opposing facts could not exist had it not been for constant vigilance on the part of American and German port authorities. They recognized Germany's desperate need and brought the imports in, even when ice four feet thick choked the harbor, and gales whipping the piers made working conditions almost impossible for the badly-clad, hungry workers.

In any weather, it is not easy for ocean-going ships to reach the port of Bremen.

They must make use of rising tides in order to have sufficiently high water for navigation. Normally there is plenty of time to get the ships into Bremen with the rising tide. But for the past two months the ships were threatened by the constant danger of getting stuck in the ice or being slowed down by it below the point of steerability, and thus grounded and perhaps broken in two. So far, this has been prevented by skillful handling and by icebreakers that churn up and down the main shipping lane.

From a modest beginning in March 1946, when the first three boats from Norway arrived, the port has grown to international importance. Ships of 10 nations -- England,

The dock area at Bremen, where ships of ten nations delivered more than 350,000 tons of import goods to Germany during January. Signal Corps Photo



Norway, Italy, Germany, Finland, Belgium, Denmark, France, and Poland — docked during the month of January 1947. During that freezing month, there were a record 374,849 tons of imports handled at the port — the largest monthly amount received under US Military Government operation. A breakdown of the tonnage discharged from incoming ships during that month shows that the largest share of goods unloaded were destined for German civilian agencies operating under MG control. During the whole period of MG port supervision, a total of 2,220,517 tons of goods have been received and sent, and 469 ships have made Bremen one of their ports of call.

CONFRONTED BY ANOTHER PROBLEM

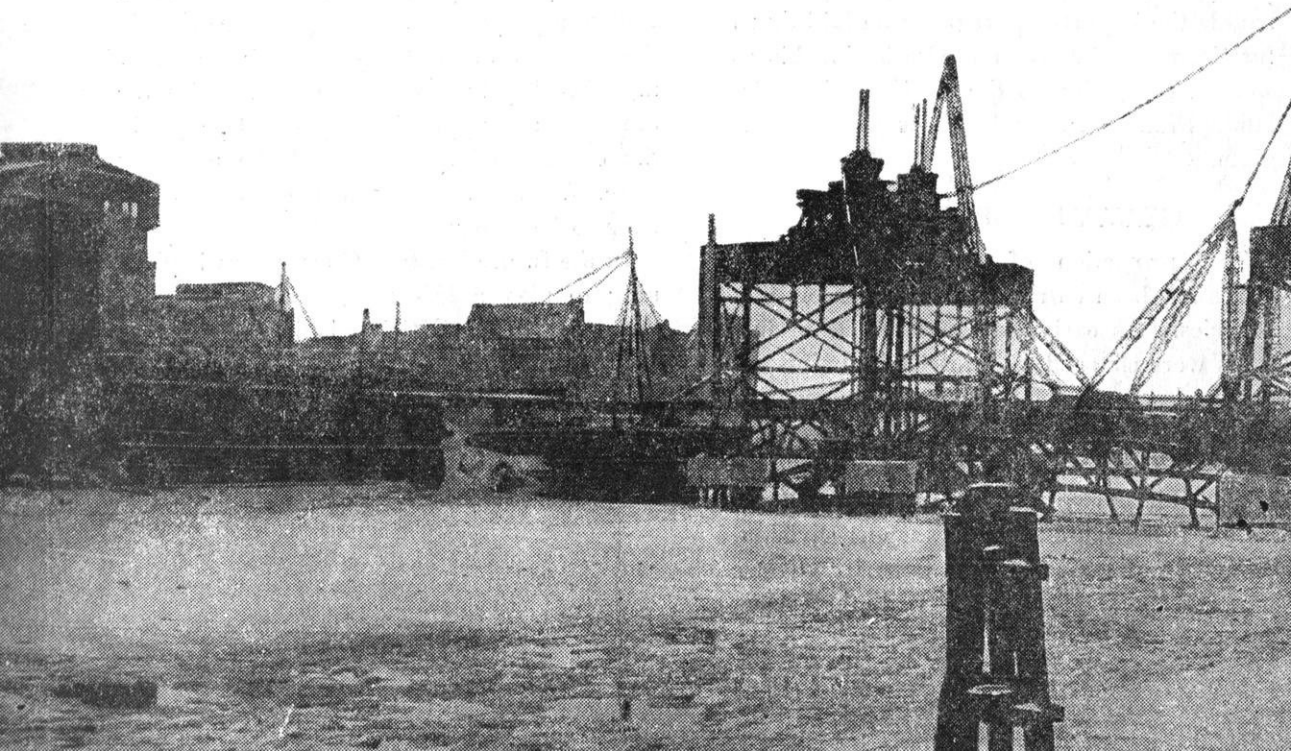
But every new arrival presents a fresh problem to both American and German officials. Once safely in Bremen ships encounter another problem. In order to minimize fire hazards, all ships must point their bows toward the exit of the harbor. This makes it possible for ships to leave the

docks without delay should any danger arise. During the last few months an area large enough to permit ships to turn around and back to their piers has had to be kept free of ice. No sooner did the icebreakers clear a channel through the ice than it froze together again. Every day tugs and icebreakers were laid up in the repair yard with broken propellers or other damage from the thick ice. But in spite of these accidents, the operations have never ceased for a single hour.

DOMINATING POSITION

Although no records are available of a more severe winter than this one, Bremen has seen many ice-jammed Januarys and Februarys. One of the members of the Hanseatic League, Bremen, Hamburg, Luebeck, and other northern ports dominated the seaborne commerce of northern Europe for centuries. It resisted vigorously the Imperial encroachments upon its civic and commercial freedom so that, even as the Prussian power was rising, Bremen continued to enjoy an autonomous status. Its history explains the outward-looking, liberal spirit

The harbor of Bremen weathered an exceptionally long freezing period during the past winter; a channel had to be cleared by icebreakers daily for several months. Signal Corps Photo



that prevails among most of its inhabitants. Nazi policy curtailed foreign trade in the military interests of German self-sufficiency, and for this reason, Bremen probably was in all strata of its population the least Nazified of the German cities.

President Roosevelt and Prime Minister Churchill agreed at the Quebec Conference in September 1944 that US forces would control the ports of Bremen and Bremerhaven. Before Bremen became an MG area in March 1946, the US Army had made good progress in its work of salvage and repair on the bombed and shell-wrecked cranes, warehouses, and quays. The US Navy previously had been clearing the harbor of mines and scuttled ships.

Port development and operation under the Bremen Port Command resulted in requirements for materials and labor beyond the capacities of the Enclave area. Consequently, an agreement was reached on 10 December whereby the economy of the area would be integrated into that of the surrounding territory under British control. MG teams operating in Bremen and Wesermuende followed policy instructions issued by the British authorities except in such instances as they might interfere with the operation of the ports.

It became the job of Military Government to organize the port in such a way as to handle the import-export program laid down for Germany, Austria, and Czechoslovakia as well as restitution to the Soviet Union, Poland, France, Holland, Norway, and Belgium.

GERMAN RESPONSIBILITY

The protection of these import-export goods has been entrusted to German civilian agencies. As early as June 1946, the Germans were charged with internal administration and security of the port. The security agencies consist of the Land Police, responsible to Public Safety; the German Customs, responsible to Finance; and the Water Police, responsible to the Transport Division. A few months ago, the Port Security Officer was given responsibility over all three Ger-

man agencies. He is a member of the Transport Division. Together, these agencies are responsible for security of incoming and outgoing vessels, the prevention of pilferage on board the vessels as well as in the dock area, and the inspection of incoming and outgoing vessels other than those operated by the US Army carrying army supplies, personnel, and dependents. About 6,000 dockworkers are handling cargo.

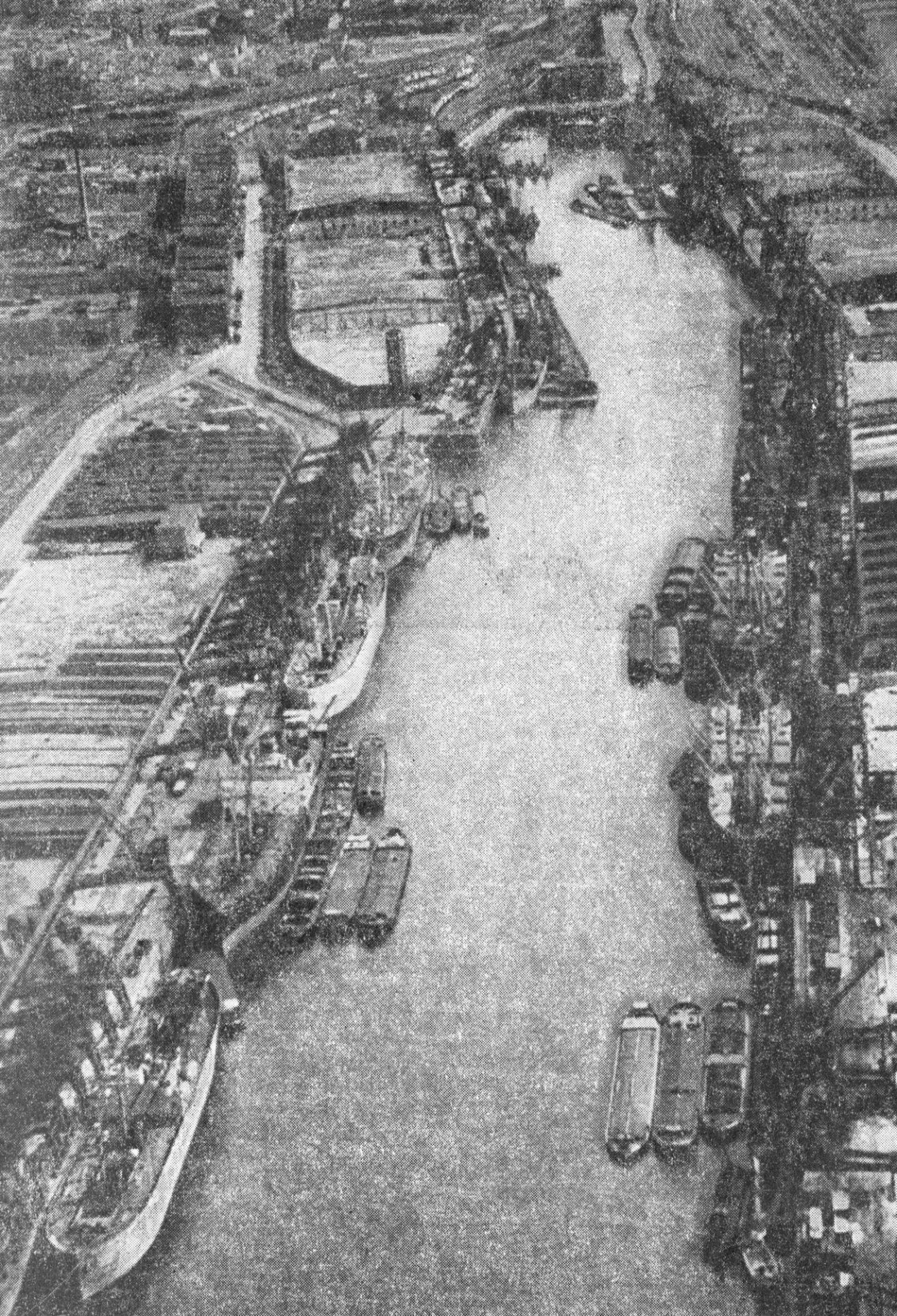
WATER POLICE ACTIVITIES

Heavy ice conditions in and around the ports of Bremen have made it impossible for the boats of the German Water Police (Wasserschutzpolizei) to operate properly. Their activities have been limited to the inspection of barges. They also maintain about two hundred land patrols in and around the dock area. As soon as the weather permits, the water patrols will operate again with a total of 28 boats, ranging from small craft to large RC rescue craft capable of 28 knots. The Water Police will be armed for the first time and will carry American-made 45 caliber pistols. Recently, every boat has been equipped with a two-way radio, making it possible to be in contact with the shore headquarters at all times. Three transmitters along the coast will provide permanent communication.

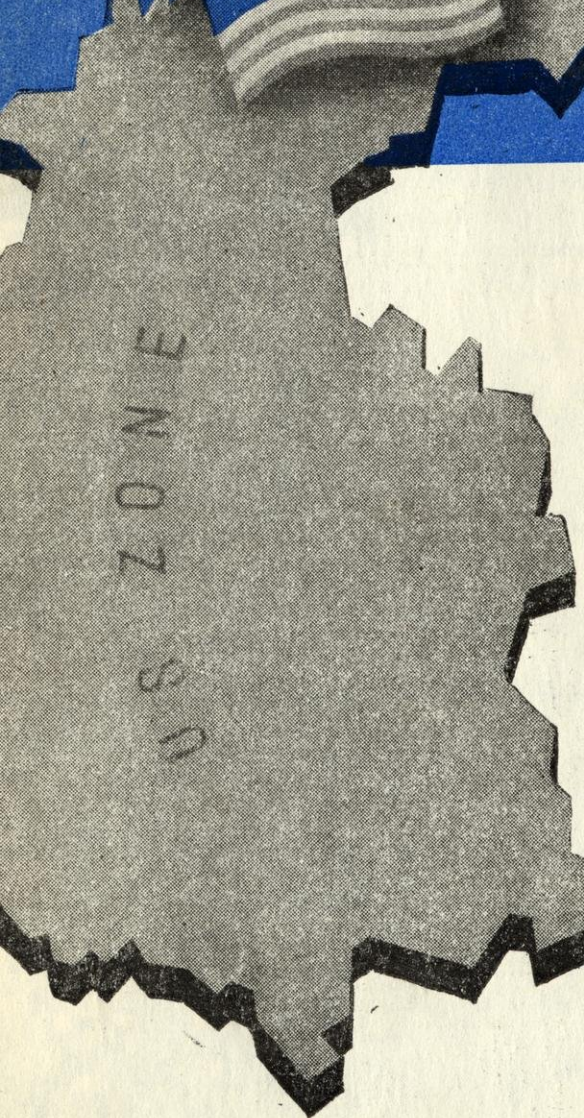
An important part is played by the Water Police in preparations for a possible flood in the Bremen area. Cooperating with other agencies they have worked out plans for the evacuation of approximately 1,200 people in the endangered areas, should the necessity arise. American and German cargo also will have to be safeguarded.

In the future Military Government is planning to play a less active part in Bremen port operations. Officials believe that in the near future the German agencies will be fully capable of carrying operational responsibility under MG supervision.

An aerial view of normal harbor operations at Bremen; before the port could be used after the war it was necessary to repair most of the cranes, warehouses, and quays, and to clear the harbor of mines and scuttled ships. Signal Corps Photo



BIZONAL ORGANIZATIONS



An almost identical problem faced Great Britain and the United States in 1946: the German occupation zone of neither — if operated upon a individual basis — could be made self-supporting. The British Zone, rich in coal and industries, needed food; the US Zone, with larger food supplies available, needed to build up its small manufacturies.

Considering the problem realistically, the two nations decided that the only way in which their zones could be made self-sustaining would be through an economic merger of the occupation areas as provided in the Potsdam Agreement. Since agreement for a quadripartite merger did not look promising for the near future, the two countries decided to undertake the economic merger of their own zones.

At the time, the United States and the United Kingdom announced emphatically that the plan in no way could be considered a form of political unification; rather it was

the carrying out of the Potsdam Agreement as far as possible until economic agreement could be reached on a quadripartite basis. Both the French and Soviet authorities were invited to join at any time in the new arrangement.

After conferences last fall between the Deputy Military Governors of the US and British Zones and careful preparations for several months by officials within the zones, the agreement was signed in Washington on 3 December by Secretary of State James F. Byrnes for the United States and Foreign Secretary Ernest Bevin for the United Kingdom. The two representatives called the Anglo-American plan, which became effective as of 1 January 1947, "a first step towards the economic unification of Germany as a whole" and expressed hope that it would "make possible the gradual restoration of a healthy non-aggressive German economy which will contribute materially to the economic stability of Europe."

With new organizations to carry out the program, the US and British governments agreed that the indigenous resources of the bizonal area and all its imports, including food, would be pooled in order to produce a common standard of living. To administer the economic unification of the two zones, and to provide for central administration of governmental functions required to make this unification effective, the respective military commanders were given power to set up under their joint control the necessary German administrative agencies.

FUNCTION OF BIPARTITE BOARD

The top bipartite agency thus formed for the US and British Zones is the Bipartite Board, consisting of the two Deputy Military Governors. In addition to approving the establishment of both Allied and German structure for bizonal administration, the Board reserves to itself the most important policy decisions, including such matters as policy on admitting foreign trade missions, prices and subsidies, trade arrangements with the Netherlands, and measures for increasing the level of production in the coal

industry. The Bipartite Board has a Secretariat consisting of one senior official from each of the two powers and the necessary administrative and clerical personnel.

Directly under the Bipartite Board are six functional Bipartite Panels; respectively: Food and Agriculture, Finance, Communications, Transport, Economics, and Civil Service. These Panels are located in Berlin and are composed of two members, who are normally the ranking US and British representatives on the corresponding quadripartite Directorate. These Panels implement the policy decisions of the Bipartite Board, act as the senior policy-making agencies for all matters in that particular field, and pass on to the Board controversial matters on which the two members cannot agree.

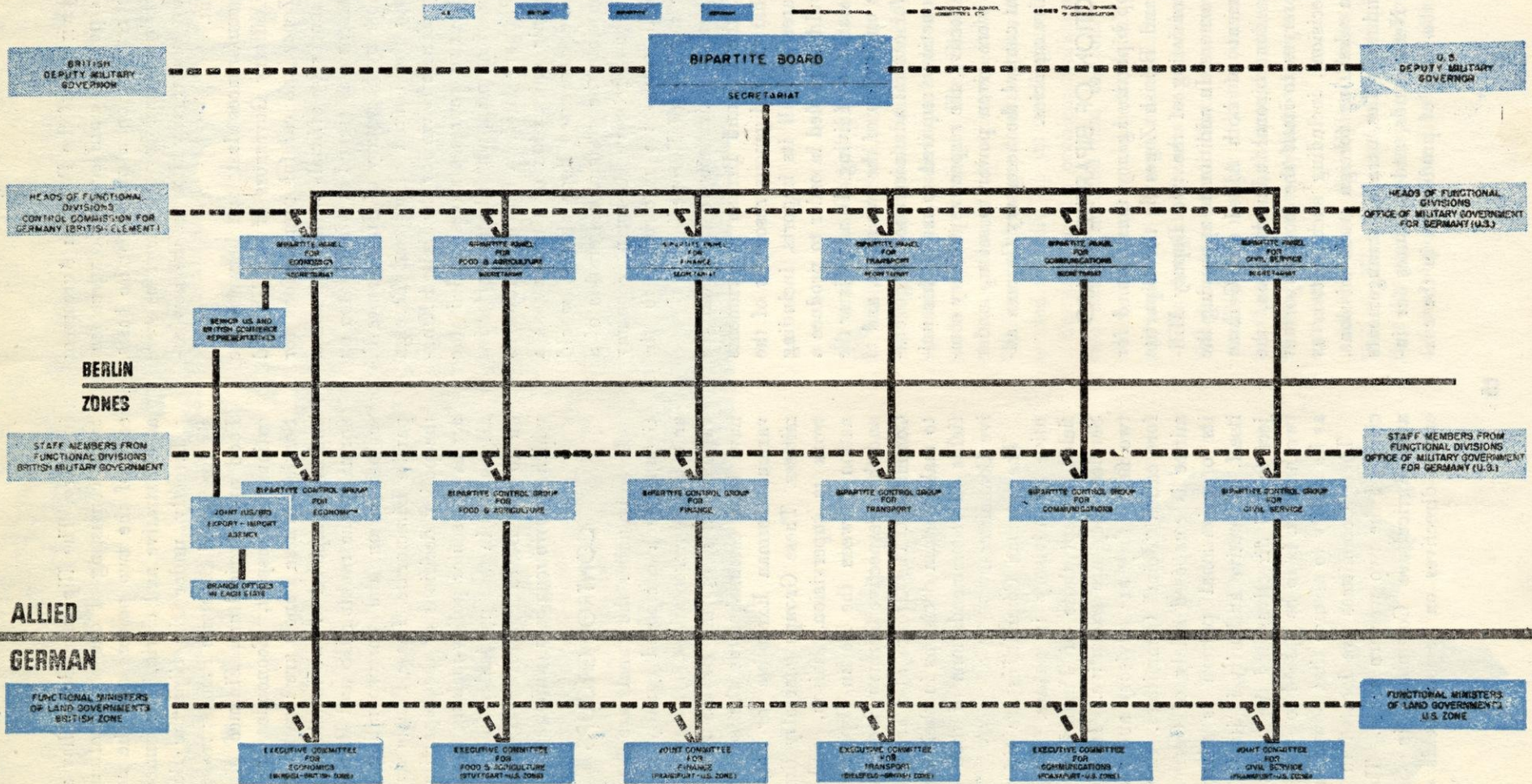
CONTROL GROUPS

Directly under the Panels are the Control Groups, each composed equally of British and US representatives, who meet in the various cities of the BR/US zones which have been established as the seats of the various German Executive or Joint Committees. These Groups generally limit their work to supervision, liaison, and coordination between the Berlin Bipartite Panel and their respective German Executive Joint Committees. The Groups also are authorized to make certain decisions in their respective fields on recommendations of their respective Committees.

The German Committees are either executive or advisory in nature. In all the fields, except those of Finance and Civil Service, they are executive. In the latter two fields, they are advisory and are therefore called "Joint" Committees. Each Committee is composed solely of Germans and its organizational pattern is planned by itself. Executive authority in its field, subject to MG directives and the policy of the two nations, is to be passed to it as rapidly as its ability to assume that power develops.

These Committees are located in various cities of the two western zones. The Food and Agriculture Committee in Stuttgart enacts directives on various fields of food

CHART OF BIZONAL ORGANIZATION



production and on the collecting, rationing, and accumulating of food. This Committee also recommends overall laws in the field of agricultural policy, particularly as regards settlement, real estate transactions, and measures to assure the cultivation of land.

The **Finance Committee** is located in the Frankfurt area. It considers all financial problems affecting more than one zone, in particular: taxes, customs duties, and tax jurisdiction; basic questions of financial adjustment, budget legislation, treasury and accounting matters, public loans, financial statistics; war debts and occupation costs; legislation regarding public officials and salaries; administration and utilization of government, army and other blocked property; monetary and credit matters (in particular interzonal payments and credit transactions, banking statistics, bank supervision, import and export financing, securities, and currency questions); and insurance except social insurance.

The **Executive Committee for Telecommunications and Posts** is also located at Frankfurt. It assumes responsibility for the overall operation of civil communications and postal services in the British and US Zones of Germany, except that the following items must have the prior approval of Military Government: Major alterations of fundamental principles and extent of Post and Telecommunications services; questions relating to international Post and Telecommunications services; negotiations and alterations of regulations as to interzonal Post and Telecommunications services; proposals for changes in rates; all matters concerning research, development, and advancement of the art of Postal and Telecommunications activities; and changes in postage stamp designs. In addition, the Committee cooperates with Finance in various fiscal matters.

The headquarters of the **Transport Committee** is in Bielefeld, except for the Maritime Ports and Coastal Shipping Branch, which is at Hamburg. The Transport Committee is responsible for: Enacting directives on general transport policy; amendments or additions to the general law relating to trans-

port; uniform tariff and rates policy for all transport branches; allocation of supplies available for the entire transport system; uniformity in all personnel matters within the committee's jurisdiction; the Reichsbahn; inland waterways affecting inter-Laender, interzonal, and international traffic; inland water transport; uniform regulations for construction and maintenance of highways required for inter-Laender, interzonal, and international highway transport; inter-Laender, interzonal, and international highway transport; and maritime shipping, sea waterways, navigation marks and pilotage, with the exception of harbor pilotage.

The **Economics Committee**, at Minden, enacts directives on the basic principles of the general German Economic Penal Law; foreign trade; production of goods; distribution of goods; internal trade; price formation and price control; industrial standardization; economics statistics; and production, allocation, and distribution of gas, water, and electricity. Apart from this, the Economics Committee cooperates with the Finance Committee in questions of bank and credit policy as far as they affect trade and industry.

The **Civil Service Committee**, located at Frankfurt, is the most recently-formed committee in the bizonal organization. It coordinates personnel and civil services procedures for German employees and officers of bizonal agencies.

All four of the German executive Committees examine law proposals before the Control Council which are referred to them, and issue directives for the execution of Control Council Laws and Regulations which are referred to them for this purpose.

In addition to these bipartite Agencies there have been created two more, the **Joint Export-Import Agency** and the **Military Governments for Germany US/UK Joint Foreign Exchange Agency**. The Joint Foreign Exchange Agency is under the Bipartite Finance Panel and assists in carrying out the Panel's duties. It opens accounts with foreign banks into which are paid the proceeds of exports; opens accounts with foreign banks for such other purposes as

may be authorized by the Bipartite Board; and operates such accounts under controls approved by the Bipartite Board. As its overall duties the Joint Export-Import Agency supervises execution of the agreed export-import program; screens requests for imports including transfer of surplus Army stocks to the German economy; supervises and develops foreign trade relations with other countries; and provides for proper billing and accounting for all exports and imports and collections of proceeds from all exports.

IMPLEMENTS POTSDAM ACCORD

When the bizonal merger went into effect, the United States and Britain announced emphatically that the new plan in no way could be considered a form of political unification; rather, it was the carrying out of the Potsdam Agreement as far as possible until economic agreement could be reached on a quadripartite basis. Both the French and Soviet authorities were invited to join at any time in the new arrangement.

Benefits to the US and British Zones can readily be seen. The merger joins the greater American food resources, both indigenous and imported, with the greater coal, steel, and industrial resources of the British Zone. The British and American Governments are partners on a 50-50 basis in sharing the temporary deficit for the area. Before the merger, the US had been spending approximately \$200 million a year in Germany, largely upon food. The British Zone, with a third greater population, had been in even greater need of food imports. The US government must now increase its financial liability by \$130 million the first year, but within three years it is expected that the combined zones will be paying for themselves. It is estimated that the British Zone will supply raw materials and semi-finished goods of some \$200 million a year that are vital to production in the US Zone.

If the combined export goals are realized, the net cost to the US will be increased substantially the first year; exports from the

combined zones of \$675 million in 1948 will leave the current deficit unchanged; but in 1949, exports of \$900 million are expected to eliminate the deficit. The planned export program, which would lift the deficit, requires large imports of raw materials financed first through Government channels and later by private enterprise. Already 50,000 tons of cotton have been shipped into the US Zone. This raw material is now being spun and woven in German mills. Sixty percent of the finished textiles will be exported to help meet the world shortage of cotton goods, and the sale of these goods will pay for the raw cotton. This is only an example of what can be done in other fields such as chinaware, chemicals, and light machinery.

The role of the British Zone in the export program is twofold: First, the British Zone will supply raw materials and semi-finished goods that are vital to production in the US Zone to the extent of about \$192 million in 1947, \$205 million in 1948, \$212 million in 1949, and in increasing amounts thereafter. This includes coal, steel, non-ferrous metals, basic chemicals, and semi-finished products for the export program in the US Zone.

BENEFIT TO US ZONE

Second, in addition to materials supplied to the US Zone for the production of exports, the US Zone will share fully the greater export industries of the British Zone itself. This benefit will grow as exports are increased. On the basis of the accepted export plan, the US share of exports from the British Zone itself will increase from \$125 million in 1947 to approximately \$235 million in 1948 and \$315 million in 1949. The gain to the US is the difference between half of the exports from the combined area and exports from the US Zone, which figure is estimated as \$75 million in 1947, \$137 million in 1948, and \$175 million in 1949. Thus, by merging with the British Zone and sharing the liability for greater food imports for two years, the US Zone becomes a part of a self-sufficient area.

Position of Advisory Parliament

DMG Sees Further Governmental Responsibility Assumed by Germans; Urges Minimum of Zone-wide Legislation in Speech to Laenderrat

(Following is the speech delivered by Lt. Gen. Lucius D. Clay, speaking as Deputy Military Governor, at the 18th meeting of the Laenderrat at Stuttgart, 12 March.)

I would first like to thank the Ministers President for postponing their meeting from last Tuesday until today. It has made it possible for me to be here and I wanted to be here for the first meeting of the Advisory Parliament.

I feel that the creation of this Advisory Parliament is another step forward in the assumption of governmental responsibility by yourselves for your people. As you know, under your own constitutions you have been given the responsibility for State Government. However, in the absence of a national constitution there are certain types and kinds of laws which must be enacted uniformly throughout the US Zone of Occupation. In addition, there will be certain laws that will have to be enacted concurrently in the American and British Zones to carry out the economic policies of the bizonal agencies.

We believe that it is your wish and it is certainly our purpose to hold such legislation to a minimum, thus leaving to the states as much legislation as is possible.

I am sure that in your capacity as an advisory parliament acting as a connecting link with the State Parliaments, you will be most helpful to the Ministers President in this particular field. Each and every law enacted by the Laenderrat must be examined carefully to be sure that it does not enter into the field of State legislation. Of course, it is equally important that State legislation not be enacted which is in conflict with uniform legislation needed for the Zone as a whole. In the absence of a central government the Laenderrat is, of course, charged with enacting uniform legislation throughout the US

Zone. In doing this, it will now have the benefit of your advice; advice, representing the State Parliaments. I am sure that you will always bear in mind that you can serve your State well by looking at every problem for the good of the whole.

When legislation has been adopted by the Laenderrat and has been approved by Military Government, it then may be issued by the Ministers President by legislative decree. The problem of deciding whether a law is to be a State law or a Laenderrat law is a continuing one and must be reexamined with each proposal. For example, we have been working over a period of months with the Laenderrat for the preparation of a press law. This law has been reexamined in the light of four new constitutions. As a result, and in spite of all the work that has been put upon the law, we have decided that it is not necessary for such a law to be uniform in its details, although, obviously, it must be uniform in its principles. We are, therefore, returning this Laenderrat law to the Ministers President and asking that it be brought up in each of the State Parliaments. We hope that in so doing, you will follow the principles laid down in the law enacted by the Laenderrat, and we request that State legislation on this subject be enacted by 1 July of this year. I bring this case up purposely to show you the importance we attach to preserving the legislative powers and rights of the several States.

I have one other subject that I would like to discuss briefly with you today. You have been through a very severe winter. Transportation conditions have made it almost impossible to move coal to keep industry going at the rate it was going last fall. Transportation difficulties have also made it difficult to equalize the distribution of food. This rather warm weather that I find here in Stuttgart after leaving Berlin makes me

feel that I can speak in an optimistic vein. During the last two months coal has stockpiled on the ground. Grain has come into Bremen at the rate of 300,000 tons per month. With the opening of the waterways and the improvement of rail transportation which will follow warm weather, there should be no longer any problem in the distribution of food, and coal should be available to make a substantial increase in industry over the last several months of bad weather. We must look forward now to planning to stockpile some of this coal to carry us through next winter in case it should prove to be as severe as this one. However, I think I can say with perfect safety that the food and coal situations look better now than at any time since the oc-

cupation started. I am sure that you have been through your most severe winter.

In completion I would like to say that it has meant a great deal to me to be here today at the first meeting of the Advisory Parliament. As an Advisory Parliament you can do much to continue the progress toward democratic government. The Laenderrat will welcome and give careful attention to your advice. I assure you that Military Government will watch your deliberations with great interest. I am equally sure that as an Advisory Parliament you will point the way to the establishment of a Parliament for Germany at a not too distant date. As you conduct yourselves so you will speed the day when you will have parliamentary government for Germany.

THEATER REORGANIZATION PLAN *(Continued from page 7)*

of communications, transport, and public utilities; in achieving a limited but still substantial industrial production; in reestablishing the German school system; in promoting youth activities; and in turning back to the Germans themselves substantial responsibilities for self-rule through freely elected governmental administrators. You have seen our powerful combat forces contract into an occupational force responsible for creating an atmosphere of law and order conducive to the peaceful development of a nation whose people are still engaged primarily with the problems of obtaining food, fuel, and adequate housing.

We are now entering the second phase of the task—the longterm job of guidance of the German people in their economic, political, and social rehabilitation according to democratic principles. This is your job. Through example and precept you must guide the German people towards a democracy with desires to live at peace with her neighbors. By firmness tempered with justice you must prevent the rise of lawless or undemocratic elements in order that the Germans shall not stray from the path of democratic procedures upon which they have been started. The road back for the German

people will be long and hard. They need your assistance.

One other task of major importance still confronts you. I refer to the several hundred thousand unfortunate individuals who through Nazi greed and cruelty have been uprooted from their homes. These people are now in temporary haven in the US Zone. You must complete the humanitarian task of their repatriation or resettlement.

Let me again say — we have accomplished much, but much remains to be done. The task of liquidating the most powerful expeditionary force the world has ever known, of developing an occupational force and of governing and rehabilitating a demoralized nation has been fought with what at times seemed insurmountable problems. In meeting and overcoming these problems I have been most fortunate in always being able to call upon my commanders, my staff, and my troops, with the knowledge that somehow the problem would be solved. As the functions of Military Government were progressively to a greater and greater extent separated from the purely military function, one individual in the theater assumed more and more responsibility for the economic, political, and social rehabilitation of Germany. That man

is General Clay. Therefore, it is only fitting that as Military Government assumes the dominant role of the US Forces in Europe, he should assume complete responsibility. I know of no man either in or out of the military forces who is better qualified for the job. With the firm conviction that with your assistance and the leadership of General Clay, the United States will honor her sacrifice in the winning of the war by finishing the job in Germany, I say thanks, good bye, and good luck.

* * *

Text of the speech of General Clay, accepting the command of the US Forces in Europe from General McNarney, follows:

In accepting from your hands the command of United States Forces in Europe, I am grateful that my last action as your deputy can be to express its appreciation for your remarks.

You have stated your satisfaction with your command. I can only say that while I assume the responsibilities which you have borne with humility, I am proud to command the forces which you now turn over to my hands.

Your period of command has been eventful. It has witnessed the completion of redeployment and the development of military forces designed specifically to meet the problems of occupation. It has witnessed substantial progress in the accomplishment of Allied objectives in the Military Government of Germany as well as the crystallization of American policy which looks to the establishment of a peaceful German State.

Your record of leadership in this trying period is even now engraved in the pages of history.

As you have said, much remains to be done. We can think of no way in which we can better show our respect and regard for you than to assure you that we will press forward in the pattern which you have established to carry out faithfully the objectives which keep us here.

All of us are grateful for the support and understanding we have had from you. You have returned loyalty with loyalty.

You have contributed so much to our task in Germany that I hesitate to cite a specific reference. However, I think I would be remiss if I did not refer to the special interest which you have given to the rehabilitation of German youth. At a time when highways were crowded with wandering, homeless German youth and our program was retarded by shortages of personnel and equipment, you made the resources of the army available to the program. We have no more important task in Germany. Under your leadership and with the cooperation of all Americans in Germany, to include not only our civilian and military personnel but also our families, we have made progress. This may well prove our most important contribution to the growth of democracy in Germany.

You have stated you were always able to call upon your commanders, your staff, and your troops in the knowledge that somehow the problem at hand would be solved. The confidence which you gave to them made their problems easier to resolve for they had like confidence in you.

This same confidence you carry with you to your new assignment. We think it fitting and we are proud that our commander goes from us to join the organization of the United Nations charged with the establishment of world security. Now for the first time in world history, its chosen military leaders are planning for security forces to preserve peace and not for military alliances to wage war.

Here in Germany, our Forces are devoted to the tasks of peace. We shall continue our work in full hope that when our mission is completed, peace and security will have been guaranteed throughout the world by the United Nations.

"Good-byes are always difficult. This time, our goodbye is made easier because we know that you will continue in a broader way to work for a peaceful world. You carry with you the fervent hope of your command for success in the task ahead and its sincere wishes for the happiness and content which comes from the completion of a task well done."



Germany's Air War Potential

Germany's potential for waging aggressive aerial war has been largely removed by quadripartite action, according to a statement issued recently by the Armed Forces Division, OMGUS. Principal efforts now are directed at forging controls which will prevent a future German Blitzkrieg and at the same time allow the defeated nation to become a link in the world's peacetime air-lines.

Elimination of Germany's air war potential has become a basic responsibility of the Combined Services Directorate of the Allied Control Authority. Other directorates have been consulted in connection with destruction or disposal of aircraft, airfields, and air weapons.

The statement added that this disarmament phase is now essentially complete: All of the more than 4,000 German aircraft and 30,000 engines captured in the US Zone have been destroyed, surplus airfields returned to agriculture, and special equipment destroyed or converted to peacetime use.

Nevertheless, certain basic controls over Germany's air potential must continue indefinitely. For example, the Air Forces Branch, working with British, Russian, and French air branches, helps keep check on certain of the more military ex-members of the outlawed German Air Force. The four powers seek especially to avoid militaristic infiltration into such organizations as schools and athletic clubs.

One result of quadripartite cooperation in regulation of civil aviation has been substantial promotion of air safety within Germany. A Committee on Flying Safety for the Greater Berlin area has adopted uniform regulations, established airdrome traffic zones and air traffic rules.

Uniform applications of flight rules and control is ensured by the Berlin Air Safety Center, located in the Allied Control

Authority building and operated jointly by the four occupying powers as the air traffic control center for the area.

Navigation facilities are coordinated and are being improved. Recently, for example, a radio range has been placed in operation at Belzig, in the Soviet Zone, to increase navigational accuracy on the Berlin-Frankfurt corridor.

Requisitioned Housing

The 47-room Hohenbuchau castle near Wiesbaden, recently used as a Red Cross recreation center, has been turned over to the German administration for use as a headquarters and official hotel for the state legislature of Hesse.

In line with a policy of maximum retrenchment in the number of housing units requisitioned for military use, a total of 88 properties in the Wiesbaden area have been released to the German economy since 1 October. These include 60 residences, one hotel, six cafes and restaurants, three motor pool areas, and one riding academy in Wiesbaden, as well as additional properties in four other towns in the area.

Border Police Supervision

Operational supervision of US Zone German border police passed from the US Constabulary to the US Office of Military Government on 15 March, with a consequent transfer of responsibility for US Zone border control, according to a USFET announcement. Constabulary troops will continue to man border crossing points used by persons over whom German police have no power of arrest, and will retain responsibility for US Zone military security including areas adjacent to zone borders. When necessary to accomplish this mission, the Constabulary will support German border police and continue to conduct border examinations,

searches, and spot checks. Existing MG regulations pertaining to the extent of authority of German border police will remain the same. The change involves only a transfer of responsibility, while existing policy directives remain unchanged.

Personnel Changes

Dr. Edward H. Litchfield has been appointed director of the Civil Administration Division, OMGUS, effective 15 March, 1947. Dr. Roger H. Wells is named acting director of the division during the absence of Dr. Litchfield to attend the Moscow Conference of Foreign Ministers.

Ellsworth Wolfspenger, for many years a specialist in American public personnel procedures, was named chief of the Civil Service Branch of the Civil Administration Division, OMGUS. He is responsible for supervision of the German effort to build a democratic civil service in the Laender and local governments of the US Zone. Mr. Wolfspenger succeeds Lt. Colonel Howard P. Jones, now chief of the Public Finance Branch, Finance Division, OMGUS.

Lt. Col. Charles F. Heasty, Jr., has been appointed acting Secretary General, OMGUS, replacing Col. William Whipple.

MG Laws No. 52 and 53

MG Laws No. 52 and 53 remain in effect in the US Zone although the US Government has authorized the removal of Germany from the Trading with the Enemy Act so far as current transactions are concerned, OMGUS has announced. Similar laws are effective in the other zones of occupation.

MG Laws No. 52 and 53 prohibit transactions between persons in and outside Germany as well as transactions in property within Germany belonging to persons outside Germany except as licensed by the respective Military Governments.

The Joint Export-Import Agency (US-UK) will now authorize persons in the US-UK Zones of Germany to contract with persons outside Germany for the export of merchandise under a special type of contract which will contain certain standard

terms and conditions to be announced later. All foreign exchange, however, or all other value accruing outside Germany involving the two zones shall be solely for the account of the US-UK Military Governments. Contracts which may be currently signed by German suppliers must be reviewed by the Joint Export-Import Agency (US-UK).

OMGUS is also prepared to authorize the appointment by persons in the United Nations and neutral countries, except Spain and Portugal, of agents of their own choosing within Germany to assume custody and control of the property of the foreign owner. Thereafter the agent will be permitted the direct management of their property by the foreign owners, provided that the agent has been properly denazified and that the property will continue to be operated pursuant to all existing German and MG laws and policies.

No communications, however, will be authorized involving German external assets or which would have the effect of accruing any foreign resources except as authorized by the two Military Governments.

The removal of Germany from the Trading with the Enemy Act is a step forward in re-establishing normal trade relations between Germany and the outside world, but Military Government will continue to exercise a measure of control over the final transactions in order to carry out Government policy and to conserve foreign exchange proceeds.

Banking Service Authorized

The American Express Company has been authorized to conduct a limited banking service for American personnel stationed in Germany beginning 15 March. Offices for this service are to be opened in Bremen, Wiesbaden, Berlin, and Vienna. Checking and depositing accounts services will be furnished and checkbooks may be acquired at any branch office. Savings accounts will not be available. Payment of local bills will be taken care of through this service and cables may be procured for sending money to the United States.



Significance of Present Events To Germany's Future Discussed

The *Sueddeutsche Zeitung* (Munich) wrote that the Moscow Conference will certainly not result in shaping the German peace treaty, but emphasized its importance for Europe:

"Moscow is confronted with the task of achieving a constructive agreement among the Eastern and Western powers. A failure of this attempt might result ultimately in a separation of Germany into a Western and an Eastern half. The gravity of such a disaster is unimaginable. But the fate of Germany — and Europe — demands a decision. It will no longer be satisfied with interim solutions . . ."

The *Fuldaer Volkszeitung* debunked rumors and secret German hopes such as "The Americans are going to take Silesia and Pomerania away from the Russians (who do not have it at all) . . . We may be able to draw profit from the incomprehensible predilection of the Ivans for a German Saar District . . . and the Czechoslovaks are soon going to realize that they can't get along without the Sudeten Germans, so we'll soon be rid of the whole onerous brood of expellees."

The *Stuttgarter Nachrichten* believed that the Deputy Military Governor's words about the "Soviet Stock Company" being "the only foreign monopoly in Germany" must remain incomprehensible to many Germans. So the paper undertook to explain:

"The Soviet Union started to transfer German works on German soil into Russian State property. The gigantic industrial trust so created comprises today at least 200 enterprises . . . all iron works, all railroad and automobile factories, 80 per cent of metal works, 70 per cent of optical and fine mechanic works, 50 per cent of locomotive and engine fabrication. The Soviet AG has ab-

solute priority in regard to raw materials, electric current and means of transportation . . . The total output of the Soviet AG goes to the Soviet Union."

The *Fraenkische Nachrichten* (Tauber-bischofsheim), commented on Marshal Sokolovsky's remark on US loans to Germany. He called them "slavery credits," the paper said, adding:

"Every German who kept a clear head must regard this expression as completely misplaced. We are hungry, but without American assistance we would have starved. We suffer under severe economic distress, but if the US, instead of lending help, had done in the war-ravaged West that which was done in the East we could all have laid down and died."

The *Main Post* (Wuerzburg) commented on a causal connection between the lack of books in Germany and budding underground activity:

"It would be unjust to regard the incorrigibility of the Germans as definite as long as no systematic attempt has been made to correct their thinking. It is almost incredible how MG and the Land governments have shunned an elementary part of reeducation: (They have failed) to give to a people that is hungry for books and ready to read and therefore malleable in its thinking those books from which it could have learned politically . . ."

"We have a plethora of periodicals . . . but what we do not have (though it may sometimes seem just as essential as imported grain) are mass editions of books that every German ought to have read in order to see himself and his time more clearly than was heretofore the habit . . . Why does one not publish, for instance, Heiden's Hitler biography in millions of copies and distribute it for a small price to the German public?"

"If anywhere money should play no role it would be here . . ."

in England in 1844. Membership was open to all; each member had one vote — and only one vote — regardless of the number of shares that he owned; merchandise was sold at market prices; the return on a member's stock investment was limited to prevailing legal rates; and net profits were distributed among members in proportion to their purchases. Education in the aims and objectives of consumer cooperatives was stressed and training schools for store executives and employees were maintained. Their educational and social activities were not as extensive, however, as in the societies in Great Britain.

The consumer cooperative movement in Germany prior to the assumption of power by the Nazis was second only to that in Great Britain in importance. Members belonged to local societies which owned and operated the stores and these organizations were, in turn, grouped into local associations. Approximately 65 percent of these associations belonged either to the Hamburg or Cologne federation. Complete data are available only on the membership of these two federations.

COMPOSITION OF MEMBERSHIP

Workers and employees in industry made up approximately 70 percent of the membership in the Hamburg association and 50 percent in the Cologne association. Most of these were also members of the trade unions; those in the Hamburg group belonged to the Free Trade Unions and those in Cologne to the Christian Trade Unions. The next largest group, professional men and government employees, accounted for 9 percent of the membership in the former association and 31 percent in the latter. Neutrality was maintained, at least officially, in religious and political matters.

In 1931, there were 13,575 cooperative stores with a total membership of approximately 3,750,000 families in these two central associations. It is estimated that the stores served 24 percent of the people in

Germany and transacted around five percent of the retail trade. Their total combined sales were over RM 1,000,000,000. The major part of their sales were in food products, although household goods and clothing were carried by some of the stores.

The Central Union of Consumers' Societies (*Zentralverband deutscher Konsumvereine*) at Hamburg was the stronger of the two federations and was the third largest cooperative group in Europe. In 1932, it had 949 local associations as members and the sales of the retail stores in the group amounted to nearly RM 945 million. The National Union of Consumers' Societies (*Reichsverband deutscher Konsumvereine*) in Cologne reported 263 member associations, whose total sales volume was over RM 180,000,000 in 1931.

MULTIPLE OPERATIONS

Societies belonging to both central organizations operated their own wholesales, which engaged in manufacturing activities and sold goods under their own private brand names, the "GEG" label being used by the Hamburg group and the "GEPAG" label by the Cologne organization. For example, the Cooperative Wholesale Society at Hamburg in 1932 had two fish canneries, eight meat-products plants, four flour mills, two macaroni factories, two mills making malt-coffee, seven tobacco factories, two soap factories, two match factories, and two clothing factories. It also produced or packed vegetables and food preserves, cocoa and chocolate, chemicals, cheese, textiles, and lumber. It operated a large farm, a weaving and dyeing shed for cloth, and a stationery and printing plant. It produced approximately 40 percent of the merchandise it sold to its consumer societies. The manufacturing activities of the wholesale purchasing organization at Cologne were not so extensive. Some of the retail associations belonging to these two central groups were also engaged in manufacturing activities, with meat and bakery goods the most important products. Most of the consumer societies operated sav-

ings departments for the convenience of customers and funds thus accumulated were used in financing the business.

Consumer cooperatives began to decline in importance in the early thirties, due primarily to Nazi hostility towards the movement. Their total sales in 1936 were less than half as large as in 1932. Their philosophy, based on democratic procedures, was in direct conflict to that of National Socialism, and the Nazis by a series of decrees wrecked the movement. In August 1933, the Nazis merged the two central associations and their wholesalers. The new organization, called the "*Reichsbund der deutschen Verbraucher-Genossenschaften*," was managed by government appointees. Member voting was abolished and party members were placed in all of the key positions. The Reichsbund was divided into 11 regional unions, each in the virtual control of a commissioner.

MOVEMENT RESTRICTED

The law of August 1933, destroying the democratic character of the movement was followed by several decrees, which made non-operative nearly all of the Rochdale principles upon which the cooperatives had been founded. For example, in 1934, the distribution of net profits among members in proportion to their purchases was prohibited. In 1935, a law was passed providing for the liquidation of savings accounts and prohibiting the formation of new cooperative societies without the permission of the Minister of Economics. Seventy-two of the largest associations were forced to liquidate in whole or in part on the grounds that they were unsound financially.

These decrees culminated in the death-warrant decree of 28 February 1941, by which the properties and funds of the consumer cooperatives were taken over by the German Labor Front (DAF). The money that members had paid for their shares of stock was returned, but there is no information as to what was done with the savings deposits. The properties and assets of the DAF in the US Zone were taken over by Military Government on 22 July 1945. The

Property Control Branch of OMGUS assumed responsibility for consumer enterprises belonging to the DAF and placed German custodians over them. Many of the stores, and some of the manufacturing plants as well, have continued to operate under the supervision of Property Control.

Because of the democratic principles under which the organizations operated in pre-Nazi days — from the local one-store societies to the large associations — consumer cooperatives should be of service, indirectly, in educating postwar Germany in democratic principles. They could be of more direct service in this respect if their educational and community activities were stressed as they are in the British societies. While participation in open meetings of members may offer a fertile training ground in the more rudimentary principles of democracy, it will be chiefly the heads of families who benefit unless the system of membership is changed.

Considerable impetus was given to the consumer cooperative movement recently by the visit of representatives of the International Cooperative Alliance who were in Hamburg on 24—25 January and in Berlin on 27—28 January 1947. This alliance of national cooperative organizations, formed in 1895, represented prior to the war some 85,000 societies in 36 countries. A meeting in Berlin of those interested in the cooperative movement was held on 27 January. Plans have been laid for the reestablishment of cooperative stores in Berlin. The representatives of the ICA visited all four zones for the purpose of conferring with former German leaders in the movement.

Ration Substitute

The Bipartite Food and Agriculture Control Group has advised that the German Executive Office has issued instructions to German officials authorizing the substitution in Hesse and Wuerttemberg-Baden of sugar for meat through the 98th period. The ration is 100 grams of meat to 40 grams of sugar.



Aid to Greece Seen as Chance To Implement US Objectives

Many American newspapers, commenting on the urgent problem of aid to Greece, have observed that the need for the United States to formulate and carry out a policy in this case constitutes both an opportunity and a challenge to demonstrate US ability and determination to implement announced objectives for securing world peace. A calm, considered long-range aid policy, they say, would be reflected in a more democratic and prosperous Greece.

Some papers also expressed the hope that, sooner or later, the Greek problem could be presented to the United Nations for solution.

New York Herald Tribune said in part: "What is unquestionably a direct, though long-term, challenge to the bases of American policy is being discussed as if it were a question of 'bailing out' the British Empire, of relieving the United Kingdom or even of propping up the somewhat motheaten Monarchy of Greece. All such considerations are equally beside the point. If there is anything to be 'bailed out' here it is not the British Empire; it is simply and solely the foreign policy of the United States — in which we already have an investment of some 300,000 lives and 300 billion dollars or so. If there is anything to be propped up, it is in the first instance the security, the influence, the adequacy of the American system in the world of today . . .

"The real task — and it is an inspiring task — which here presents itself . . . is the task of making free-enterprise democracy possible in Greece (without the need for either kings or gendarmerie) by giving the country a viable basis on which to stand and from which to supply the human needs of its people.

"In itself that would be a moving challenge, a challenge similar (in some ways, but only in some) to that which this country met

nearly fifty years ago when, with unbounded confidence and energy, we accepted the task of bringing the best our system could offer to the people of the Philippine Islands.

"But this is a question neither of nineteenth century romantic imperialism nor of a mere altruistic rescue expedition. Greece is one of the decisive points at which the future shape of the world will be determined. It is a key position, not so much in military as in political and moral strategy. The Soviet Union has a great deal to offer to the peoples of the world. But so has the American Union. Dire poverty, dislocation, uncertainty will take what they can get; they will take the Soviet order and systematization if nothing else is available, but they will take the democratic freedom and productive power if those things are made real and effective in their lives.

"Whether or not we can find the confidence and energy to export our freedoms, our skills, our productive power (as Britain once did) will largely determine the next phase of world history and will certainly determine the fate of our own system. The Greek crisis is admittedly only a beginning; a loan of \$250 million there would not approach the end of the commitments the times may challenge us to make. But if we lack the courage or foresight even to make the beginning; then the end, for ourselves, will be easily predictable. Strength is given in this world to be used; hoarded, it evaporates."

Christian Science Monitor: "(World affairs) are driving home to Americans the pivotal political fact of this age. It is that the United States must assume a vaster, a more positive, purposeful, determined, and indeed consecrated role in world affairs than even the most enlightened of its leaders could foresee at war's end.

"Much of the know-how for this role has yet to be acquired. But even before the need for know-how comes a need for

widespread and deep conviction among the American people that the only way around the woods of current international confusion is straight through them . . . to really get 'the feel' of the situation in which they find themselves, Americans may have to go back to lend-lease days. Then the United States was the arsenal of democracy under fire. Now it is the powerhouse of the democratic idea in a world where that idea still faces many challenges. The first step is for Americans to accept with their hearts as well as their heads their inescapable postwar task. They must do so for the world's sake and for their own."

Cleveland Plain Dealer: "Questions (about US aid policy to Greece) cannot be answered without thought, without more knowledge on the part of the public, without serious and non-partisan discussion in Congress . . . It is evident that American policy has reached the parting of the ways. No longer can foreign policy be improvised from day to day or even from conference to conference . . . This may be America's hour of destiny. The political seed sown by the war is ripening. We will either gather the harvest for freedom and the dignity of man or historians may look back upon this period as the beginning of the decline of another civilization."

Louisville Courier-Journal: "The challenge to us to make a fateful decision is not so abrupt as it appears. The ultimate necessity should have been foreseen months, even years back . . . the late President Roosevelt in 1938 braved a complacent and unawakened public opinion by his proposal to quarantine aggressor nations. Our commitment to become the arsenal of democracy was part and parcel of the germinating knowledge — the knowledge that the United States . . . must concern itself with privilege and freedom for the under-privileged and oppressed elsewhere in the world. We must do this, we decided, or find ourselves condemned, rejected, despised — and attacked, as in the end we were . . ."

"The world was informed (in Byrnes' Stuttgart speech) that the United States

would be firm, resolute and consecrated in defense of the things it believes in, no matter where the issues were drawn. The effect of this speech was noteworthy. But its salutary effect would be swiftly dissipated if we refuse to give meaning to the words, now that a test has come. The respect that we invoke, the peace which only this respect will guarantee, would be lost."

New York Post: "We have no choice but to help, and thereby protect ourselves. What we should never forget, however, is that giving material aid to an existing government is not enough. We cannot shirk the responsibility of seeing that our contributions serve the people. The government so aided must be required to live up to certain standards — as the royalist government in Greece notably has failed to do."

Indianapolis Star: "Congressional leaders must make plain to the world that the American people stand firmly behind our statesmen's efforts to save freedom, democracy and human liberties from the pounding pressures of hunger, misery, revolt and communist conspiracy. We can do it if our leaders show the greatness of spirit the times demand. We can do it if we are willing to support those leaders . . ."

Philadelphia Inquirer: "Any job we might attempt in Greece would have to be only in the interests of world peace, in which our own interests lie. It would have to be an honest effort to give true democracy a chance to get into action to rescue the heroic Greek people from civil war and economic disaster."

Among several papers urging that the United Nations take over the Greek problem was the **Des Moines, Iowa, Register** which said in part: "The United Nations was designed to handle just such situations . . . the creation of forces with responsibility not to national governments but to the United Nations itself has been delayed long enough. As touchy as the situation in Greece is, it is not as explosive as many which are bound to arise. The only way to become proficient in collective action is to practice it."