



Comments on Economic Council

The *Neue Presse* (Coburg) called the election in the bizonal Economic Council "the most important event on the home front since the collapse."

"The die has been cast in a way that nobody foresaw during the time of coalitions that now has come to an end... A first great provisory decision has been made in the central question... which Dr. Schumacher (foremost SPD leader) correctly formulated: 'Either reconstruction of the bankrupt, politically and economically guilty rump-capitalism or a new socio-economic structure'..."

"The ice is broken and, if we are not very much mistaken, new elections will have to take place at the end of a period of general confusion... The zigzag course of the parties urgently demands the corrective action of the people's vote."

The *Weser Kurier* (Bremen), commenting on the election of the directors in the council, attributed the result exclusively to the Social Democratic Party:

"If Dr. Schumacher now accuses the CDU of attempting to seize total power over the economy of western Germany, one may point out that the SPD did not try for less but rather for more with its demand. It already wields considerable economic influence through its eight ministers of economics in the Lands. Its attitude of 'everything or nothing' is all too reminiscent of the totalitarian example..."

"One can only regret that the SPD, now that the vote has decided against it, tries to deepen the existing antagonism by speciously construing a split of western Germany into the party of socialism and the party of 'rump capitalism.' With these arguments it only serves the forces which in the eastern Zone are its most ardent enemies..."

Das *Wuerttembergische Zeit-Echo* (Schwaebisch-Hall) declared: "This match between SPD and CDU, two

almost equal rivals, had made it clear how ardently the internal structure of German economy is being fought for. The question is: private industry or socialism? This question will be solved neither now nor at Frankfurt, but will be decided by the people itself in the elections of the coming year."

The *Frankfurter Neue Presse* explained in detail what happened in the election in Frankfurt and found the SPD not innocent. "The decisive mistake," however, was that the other side succumbed to a bad principle, it said, continuing:

"Soon we are going to hear the calls to battle: Here propertied citizens, there the property-less; here Christianity, there Marxism; there free, here planned economy. We have drawn the line of conflict so as to benefit most the ultra-left of the eastern Zone... The simple man in the street shakes his head... 'Aren't those fellows hungry? Don't they have to worry about a place to live, a workshop, a modest standard of living?' He can't find the faith that these are new beginnings, and he has no old faith left."

Denazification Upheld

In an editorial in the *Stuttgarter Zeitung*, Licensee F. K. Maier, declared that the crisis in denazification is not caused by the denazification law but by those "who have voluntarily assumed the carrying-out of denazification and who have made a political business out of it."

"That no denazification law would be free from shortcomings was clear from the beginning. Much good, however, can be achieved even with the worst law. It depends on the determination with which it is carried out. This determination could not be expected from the people, too many of whom were directly connected or at least morally tainted with Nazism.

"Determination had to be shown by the political leaders. They did not show it... (Instead) they soon began to sing—solo and ensemble—the song of the 'poor Nazis pressed into the party,' the 'countless harmless Nazis,' or the 'politically misguided' who could and should not be reproached with anything..."

"Today most of the persons originally charged under the law have stood trial. What was bearable for all, cannot suddenly have become too hard for a remaining minority. It is also a fact that the largest number of the really small cases have been finished, and that they often have been dealt with magnanimously—as, e.g., by the Christmas amnesty."

Maier advocated keeping the law as it stands.

Fear of Winter

The *Offenbach-Post* said the Germans cannot enjoy this beautiful summer because of the fear of the winter ahead, lamenting:

"With horror and anguish we think of the winter that is coming, the winter 1947/48. In 1945 we hoped that by then life would become bearable again... How shall we heat our rooms? Coal is more than scarce; and where shall we get the fire wood to take its place? These are the reasons which rob us of the joys of summer..."

Internees Seek Pity

The *Stuttgarter Zeitung* reported that writers, who offer to go into internment camps to lecture, are sent by the inmates a thick pamphlet that uses every possible argument to arouse sympathy for the internees. In the pamphlet the term "guilt" occurs only in quotation marks and it is explained that "sinful actions are a tragic component in the life of every human being." After a lecture by the Bishop of Rottenburg some of the internees complained that the Bishop "insulted the Fuehrer." The paper commented:

"There is a limit to the ability to absorb education. Unless the camps

are strictly combed out, money and gasoline for the speakers are simply wasted... There are, however, also letters from camp, a few, from independent internees which speak quietly and timidly of an inner change. But these have no press agency."

Honesty Survives

The Wiesbadener Kurier found the desire for honesty and dignity in Germany not extinct:

"Everybody in Germany—he he 'normal consumer' or 'compensating' farmer, businessman, industrialist—is driven to dishonesty by his family or by the workers in his shop... yet there is also still the positive element: 'We want to become honest again!'"

Food Delivery Plan

Passauer Neue Presse carried an editorial based on a report by a scientific agronomist sent by the paper to inspect typical farms in the area. The editorial presented the four-point program of Schlange-Schoeningen, the agronomist, as a necessary beginning, but added:

"Any money fine for a deficit-delivering farmer is ridiculous, if he can supply the black market. Schlange-Schoeningen proposes, therefore, the following graduated punishment: confiscation of cattle above and beyond the quota, without recompense; administration by custodians of the farm; expropriation in favor of new settlers; announcement that at the end of the year, the ten farms delivering the least would be expropriated. An announcement of such a nature, made in time, would work wonders."

"Much of our remaining farmland is managed incredibly badly. The three-field system of a century ago still prevails. Eight-five to 90 percent of the total available acreage in the Bavarian forest is wasted on uneconomic cattle-raising, and only a small percentage is devoted to the nourishment of humans..."

"Since we do not wish to starve, we all have an interest in seeing to it that the soil of our homeland is exploited as efficiently as the present state of science makes possible. The training of our farmers must be substantially improved."

Small Firms Model for Germany

ONE OF THE most important single factors responsible for the tremendous output of American industry is that it is decentralized and consists for the most part of small, independent business units, Lloyd V. Steere, acting director of the US Office of Political Affairs and chief of the Economics Branch, Political Affairs Division, OMGUS, said in a radio broadcast from Berlin to the German Residents of the US Zone.

Mr. Steere, declaring America is the most productive country in the world, attributed this to the "efficiency and vitality of its small businesses," which are daily growing in strength and number. He added that the small businessman "keeps the wheels of American industry humming and provides the balance and stability of American society."

"If we can lay the foundations for economic democracy in Germany in which small business establishments can compete and flourish, free from restraints and regimentation imposed by governments, cartels or political parties," he asserted, "Germany will benefit tremendously through an increased standard of living and through the impetus and stability which this environment will give to a truly politically democratic society."

STRESSING the fact that small businesses make up 98 percent of all American business firms, excluding the millions of American farmers, and account for 50 percent of all laborers in the United States, the speaker said that one of the most important single factors responsible for the tremendous output of American industry is the fact that it is largely decentralized and consists for the most part of small, independent, extremely progressive business units.

He defined a small business as one having fewer than 50 people working for it, and pointed out that there are over three and a quarter million small firms in the United States at the present time, as compared with 52,000 large business enterprises, that is, those employing more than 50 workers.

Mr. Steere emphasized the importance of competition in keeping

the small businessman on his toes and assuring maximum efficiency. Denying that under a competitive system, benefits accrue only to a minority, he declared that all elements of the population benefit from efficient production and the resulting higher standard of living, and pointed out that other countries of the world were also benefiting today from America's amazingly high output of farm and factory products.

MORE THAN 500,000 small businesses closed up shop as a result of World War II, Mr. Steere said, but since the war 800,000 new business establishments have opened up and are making a notable contribution toward the reestablishment of a sound, peacetime economy in America.

"The efforts of American Military Government to break up I.G. Farben and other cartels in Germany, to decentralize the German banking system and to give more economic and political responsibilities to the Laender, the communities and the people, is aimed at giving Germany this same type of economic environment," he declared.

Changes in Personnel

Lt. Col. William H. Connerat has been appointed acting deputy director for operations of the Economics Division, OMGUS. Chief of the Civil Branch of the Services, Supply and Procurement Division, European Command, he was loaned to the Economics Division during the absence of Maj. Gen. William H. Draper Jr., Economics Adviser to the Military Governor.

Dr. John B. Canning, Deputy Chief of the Food and Agricultural Branch, Economics Division, has retired after six years in government service. He formerly was professor of economics at Stanford University.

Capt. Edward W. Jones was named assistant chief for administration, Administration and Personnel Branch, Economics Division. He succeeded Capt. Carl J. Maiser, who has returned to the United States.