AMOST VITAL operation in which the United States is taking part in Europe today is the supervision of the production of coal in the Ruhr area of northwest Germany. This operation affects every American, at home or abroad. The importance of Germany's ability to learn to take care of and support itself cannot be overemphasized.

The European Cooperation Administration, which is handling the Marshall Plan, is essential to put a war-torn world back on its industrial and economic feet. But Paul Hoffman, the administrator of the ECA, is depending upon Europe to help itself, rather than to depend entirely upon the generosity of the American people. For Europe to help itself, the light steel industries necessary to the production of consumer goods—and the heavier industries necessary to manufacture equipment for the recreation of an internal transportation system—depend entirely upon the Ruhr.

Without coal there can be no steel; without steel there can be neither agricultural implements nor consumer industries; without those there can be no import, nor export, and without commerce there can be no recovery, nor repayment of reparations or war debts.

The coal we are helping to hoist out of the Ruhr pits is for the benefit of the American people, just as much as it is vital to the existence of the German people. After all, we must, as a national responsibility, try to reestablish Germany as a new democracy.

A TRI-POWER agreement was reached in 1947 by the United States, Great Britain and France on the amount of Ruhr coal to be exported each quarter to the countries of western Europe, whose economies and industries were destroyed by the war. As coal is of such vital importance to the quick recovery of these countries—and as exports from the Ruhr
are calculated on a sliding scale based on the over-all total of clean coal production—it is not difficult to understand the US Government’s desire to increase coal production as rapidly as possible. As these nations regain their economic independence, they will no longer be a drain on ECA funds and, thus, upon the taxpayers of the United States.

Producing coal in the Ruhr, since the occupation, has been most difficult. More than one-fourth of the 250,000 miners’ homes were destroyed and 60 percent of the remainder were damaged seriously. The surface plants of the mines were almost destroyed by aerial bombs and artillery fire; in fact, 10 percent of the prewar production facilities were destroyed and only one plant in the area escaped damage entirely.

Transportation facilities, both rail and water, were completely disorganized. Production, which during the war ran as high as 420,000 tons a day, had dropped to less than 50,000 tons. There was a corresponding decrease in available labor; the forced—or slave—labor used during the war was, of course, immediately released at the time of the occupation. Food of all kinds for the remaining labor was in scarce supply, as well as clothing, and essential consumer goods.

The morale of the miners and their families was at the lowest possible ebb. The entire Ruhr was stunned by a crushing defeat and no man knew who his boss really was, or when he would eat or work. All of this was hardly conducive to producing coal.

The picture presented above, although totally inadequate to portray the severity of the actual conditions as they existed, gives some idea of the difficulties encountered by the men whose duty it was to produce the coal most vital to the rebuilding of the German economy.

In a country where the law of supply and demand had been violated for some 15 years, the economy is bound to be in complete disorder. During the Nazi regime, demand continuously exceeded possible production. Since the occupation, however, the production had been curtailed for various sound reasons, with the effect that the minimum demands of the surviving economy have not been met.

The unavoidable consequences are indeed clear. Austerity was caused throughout the entire economy and a perfect preconditoning developed for the black market. The starvation of the population has been limited to the extent that foreign help could be obtained to augment the small contribution from indigenous supplies.

Meats and fats, more vital to the miner than possibly any other heavy worker because of the very nature of his labors, have been so scarce at times that the miners and their families have gone for weeks at a time without either of these essentials.

During the summer of 1947, canteens were established at each mine, where the miner could obtain one hot meal a day but, due to the abnormally low calories obtainable by his family, he would take home a portion of his hot meal, thereby weakening the intended effects of the plan on production. The miner also had to miss many shifts of work at the mine in order to provide, through black market channels and through his own garden, enough additional food to raise the level to a bare existence for his family.

A population living under such general conditions is bound to lose all initiative, even for the reconstruction of its own properties. Everyone naturally looked after the minimum daily necessities for himself and his family, but no more than that. The community, as such, had ceased to exist. It was every man for himself. The consequence is that more or less all of life was running on the prin-
CURRENCY REFORM was implemented in the three western zones of occupation on June 21. From an early observation it is having a beneficial effect on the whole economy. Certain foods, such as vegetables and consumer goods, are making their appearance for the first time since the beginning of the occupation. This has brought a sense of optimism into the German population as a whole which is very noticeable at this time.

However, currency reform alone will not improve conditions or put western Germany back on its feet so that it may contribute its share toward making the Marshall Plan a success. The problem is still to back the currency with production—and to sell with this currency sufficient food and consumer goods to the population so that efficient and enthusiastic work will again be obtainable from the great mass of the industrial workers.

It appears that more local food will be on the market, especially if the farmer realizes that the new mark is sound and backed by all types of consumer goods in the markets. At the present moment, the crops in Germany look very good—which is most encouraging. The drought last year was almost disastrous—especially when coupled with what appeared to be a world shortage of nearly all foods. This improvement should alleviate one of the most retarding factors.

The shortage of steel and non-ferrous metals has had its effect on the mining industry. Maintenance of equipment during the war was almost entirely neglected, leaving most machinery, both underground and surface, in a deplorable condition. The steel shortage has prevented our implementing any constructive program in rehabilitating existing machinery, as we have barely enough steel to make the necessary repairs on a day-to-day basis.

Daily reports from the mines show considerable tonnage being lost due to frequent breakdowns. Many machines are idle due to the lack of material for repairs. Conveyor belts have been overtaxed with a resultant inefficiency. Noses for pneumatic picks have worn almost to the point of uselessness. Steel arch support on the main haulageways have largely been replaced with wooden ones, which require frequent and expensive replacements.

During 1947 it was found necessary to offer certain food and consumer goods as an extra incentive for increasing coal production. While we did get additional production from these incentives, it dropped immediately after the miners had received these benefits. One of the incentive plans, however, will eventually prove its worth. Under this plan, purchases for the miners' scarce foods and consumer goods are made with a dollar fund which, in turn, is received from the income on coal exports.

These foods and goods are made available to the miners through 700 different distribution stores and are paid for by the miners in marks. The amount a miner is allowed to purchase is based primarily on his earnings during the month. Since this plan has been operative only since April, the full value of its benefits have not yet been assayed, but we are confident that we will get the results.

The production trend since Jan. 1 has been upward. The daily average in January was 254,769 tons, and in March it rose to 288,139 tons, which incidentally was the best month, up to that time, since the war ended. April's daily tonnage dropped back to 268,467 tons, but June's average went up to 285,131 tons daily, and, on Monday, June 28, there was the largest daily tonnage since the war—308,768 tons.

I am happy to report that June's production, was more than 7,500,000
tons. Without incentive foods, the men loading coal would literally not have had the strength to get so much out of the ground.

The US/UK COAL Control Group is doing everything in its power to increase the coal production of Germany, so vital to the European economy; but, we are battling more than the mines, mining equipment, and seriously lowered morale. We are battling political and labor conditions, unbelievable in the United States. The Communist Party (KPD) constantly attempts to put sand in the gears—at the same time demanding a united Germany with great fervor.

In Berlin I saw carloads of the very same coal for which we sweat in the Ruhr—and one of those gondolas carried the slogan, "Vote KPD." Nevertheles , all that extra, emergency coal had to be sent up to this beleaguered city because the brothers of the KPD had created a situation so dangerous to the German and western economies that only emergency measures could counteract it. It was, therefore, coal which was called upon again to relieve the emergency.

US Plays Lose’ Ground

Interest in American plays decreased in Munich during the past year. The trend there seems to be in favor of operettas and musical comedies, and the American works so far made available for production in Germany are mainly dramas which frequently overtax the facilities of the German repertory theaters.

However, in the field of music there is a growing demand for American compositions, as indicated by continued capacity audiences at concerts sponsored by US Information Centers.

Ban on Pension Payments

Military Government has refused to permit Wuerstemberg-Baden to pay pensions to dependents of civil servants who are prisoners of war or who are still missing. This is in accordance with MG Regulation, Title 16, forbidding the making of payments arising out of war, and forbidding the making of payments to unemployed officials.

Largest Information Center Opened

The largest US Information Center in the US Zone was opened in Munich July 12 by Maj. Gen. George P. Hays, Deputy Military Governor, who told an audience of 300 MG and Bavarian officials that "if the German people are given access to the educational and cultural ideas which prevail in the western world they will hereafter reject any form of government which would impose controls on freedoms of speech and freedoms of the press."

Murray D. Van Wagoner, Bavarian state OMG director, said the center would permit Germans to exchange opinions and ideas with Americans who are sympathetic with their efforts to achieve "healthy constitutional government and a sound economy."

Dr. Hans Ehard, minister president of Bavaria, thanked Military Government for providing the additional cultural facilities to the German populace. He expressed the hope that the information center would become a place of mutual understanding and peaceful cooperation.

Although Germany was long denied a clear view of what was happening in the outside world, he said: "The period of darkness is now over. The evil spirit has been driven out of this building. May it be replaced by a new spirit of peace, culture and goodness."

Dr. Thomas Wimmer, Munich chief mayor, pledged the city government's support to the Amerika Haus and urged all its citizens to make full use of its facilities.