Silver Collection Returned — The Hohenzollern silver collection, held in the United States for safekeeping since the end of the war, was returned to the German people on Jan. 21 at the Bank Deutscher Laender (Bank of German States). Four boxes of silver, weighing seven tons, were turned over to Dr. Ferdinand Friedensburg, deputy mayor of Berlin.

Military Salutes Still Banned — Military saluting by Hessian foresters brought a warning from OMG Hesse. Following reports that Hessian foresters are again recognizing each other by military salutes, Acting OMG Director Francis E. Sheehan advised the Hessian minister-president that Military Government will bring specific charges against individuals who continue this practice. MG laws specifically prohibit the rendering of military salutes or gestures.

Soil Conservation Study — Eleven agricultural experts from Switzerland, Denmark, Sweden, Norway and the Netherlands are meeting with German specialists in a four-week course at the Biodynamic Institute in Stuttgart, studying the biological relationship of men, animals and plants to the soil and comparison of natural fertility of the soil to chemical fertilizers. The visit of the foreign group is sponsored by OMG Wurtemberg-Baden.

Calcium in Bread — The first shipment of calcium fortified flour, to offset the calcium deficiency in the current Berlin diet, was flown to Berlin for distribution on the general ration. All flour for Berlin consumption, whether milled from imported or indigenous grains, will be calcium fortified, BICO food officials stated, adding that all bread in the United Kingdom has been similarly fortified with calcium since the beginning of the war.

Exporters Aided — A new JEIA procedure provides that German exporters and agents may contract for foreign transportation services and foreign insurance. This new procedure enables German exporters to quote cost and freight (C&F) and cost, insurance and freight (CIF) prices for their goods. Foreign exchange necessary to pay freight charges on foreign carriers and to pay insurance fees with foreign companies will be made available for the Hesse than during the previous three years with 1,215 new titles appearing in the bookstores during 1948 and 174 in December alone; the number of licensed Hessian publishers had increased from 40 in 1947 to 106 by the end of 1948. In the magazine field, 110 Hessian publications are now selling at least 2,500,000 issues monthly.

Old Rolling Stock Scrapped — Obsolete locomotives and freight cars are earning money for Hessian industries, according to Mr. Julian A. Hillman, Hesse JEIA chief. A JEIA-approved contract permits the sale of 150,000 tons of old railroad rolling stock to an American firm. Also, a British firm has purchased 80,000 tons of scrap steel. The two contracts total $6,500,000.

Holes are Exported — A recent contract, according to JEIA, provides for a most unusual export—holes and grooves. The stone-cutting firm of Ernst Kreiger in Idar Oberstein, French Zone, will drill two holes and cut a tiny groove in each of 25,000 agate stones for a New York firm. The stones are to be used as clothing ornaments. The value of the contract is $1,950.

Berliners to Eat Rice — The first shipment of imported rice, totaling 3,500 tons, since the end of the war arrived in the Bizon from Italy. It was immediately transferred by air to Berlin. Previously shipments of rice to Europe had been prohibited by international agreement during the critical world-wide food shortage in order to divert supplies to the heavy rice-consuming Far Eastern countries.

Fewer on Relief in Hesse — Gloomy predictions that currency reform would place a tremendous hardship on the Hessian public assistance program have failed to materialize. (Continued on page 28)
develop, and that if the Nazis try to come back, it will be too late.

In addition, we have transferred increasing police responsibility to the German police, We have removed the Constabulary from patrol duties. While all of this was being done there has been a sizeable decrease in the crime rate.

In respect to the displaced persons’ program and the stimulation of people at home to find places for them, we are finally moving these people to places where their future is brighter.

IN PROPERTY CONTROL we have made great progress in both external restitution and in the field of reparations. As for restitution of property taken away from persecutees, it will be a long time unfolding; however, the basic law is enacted and

This review contains the highlights of the statement made by General Clay at his first Staff Conference of 1949. It was first printed in the Monthly Report of the Military Governor No. 42.

the administrative machinery has been established to see that this restitution of property is carried out under a rule of law.

Basically our deconcentration of property has been completed in the legal sense in that the great I. G. Farben property has been broken up and the parts are already being operated as individual properties, also we have enacted the steel and coal reorganization law. These and other measures practically completed, from the legal standpoint, the deconcentration program. Obviously, reorganization under these laws will require many months.

Decartelization has been written into a law which we hope to have translated into a German law. It will always be violated, and it is simply a problem now of finding and punishing those who break the law.

In the trade union field I think the greatest compliment perhaps that has been offered to us to our success in rebuilding the trade union is the freedom and courage with which they attack us. That to me proves that we have revived strong healthy trade unions that stand on their own feet. While I can’t say that I enjoy being attacked, I enjoy a situation in Germany whereby people are willing to stand up and to attack. I think that is a greater progress than the trade union leaders, or we in our irritation, realize.

IN THE VITALLY important field of disarmament we have completed a demilitarization program and have entered into an agreement that provides for the establishment of a military security board which will insure that rearmament in Germany is impossible.

In the field of information services we have succeeded in getting passage of legislation that guarantees a free radio and which permit the return of radio to the Germans. We hope to do the same thing with the press; and, while it is a slow operation, I am sure that the foundation has been laid and that we will have very soon a truly free press in Germany.

I assume that it will have the danger of a rise of an aggressive anti-Military Government press, perhaps even an anti-democratic press. I think we can face that danger. I don’t think we can hope to have a free and democratic press until it has opposition. Many are worried at home that our press laws allow such competition. I think that if we are afraid a free press can’t survive, it shows a fear that is completely contrary to the basic American concept.

In the financial field we have made great progress during the year. Of course, the outstanding feature was currency reform which, drastic as it was, started the wheels of recovery and made money an incentive again; it has played a very major part in the recovery which is taking place.

WITH IT, of course, due to a shortage of goods, has come the threat of inflation. I think that, both in the financial and over-all economic field in the forthcoming year, the greatest single threat to recovery is that of inflation. I think we are going to be able to control it, but not with the kind of control of inflation that is a deterrent to production.

But timing of measures is most important, but it is also a difficult thing to determine. We do have the machinery set up to watch inflationary trends; and I am quite confident that, if they develop as a serious threat in the coming year, we can cope with the situation.

During the past year, unfortunately, quadripartite relations were broken up, and we experienced the blockade of Berlin. It was something out of our control. As a result of the airlift we have prevented the blockade from becoming successful in fact.

All in all, we can look back on the last year at these accomplishments which have been made possible by a Military Government force which, during the year, has been reduced in number by over one thousand. I think, if you sum it all up, it paints a pretty good picture.

New JEIA Procedure

The Joint Export-Import Agency has announced a procedure whereby German exporters and agents may contract for foreign transport services and foreign insurance. This new procedure, outlined in JEIA Instruction No. 11, enables German exporters to quote c&f (cost and freight) and cif (cost, insurance and freight) prices for their goods.

Foreign exchange necessary to pay freight charges on foreign carriers and to pay insurance fees with foreign companies will be made available for the first time by JEIA. Payment to transport enterprises and insurance companies will be made through an Aussenhandelsbank, the German shipper paying the Deutsche Mark equivalent at the rate of 1 DM equals 30 cents.

Mozart’s Father Honored

The Bavarian city of Augsburg, birthplace of Leopold Mozart, has launched a program to emphasize its connection with the father of the famous composer, Wolfgang Amadeus Mozart. In honor of Leopold, the Music Conservatory was renamed the Leopold Conservatory. Certain other public places have also been named in his honor.