

Upswing in Production

November, and for some industries it will probably be considerably less.

INDUSTRIAL production in the US Zone continued its upswing during May, when the general level reached 46 percent of the 1936 average—the best rate since the occupation began. This figure is four percent above the previous high attained in October and November 1946, shortly before the winter decline. However, the outlook for further industrial progress is not as favorable as the spring gains appear to indicate, since the coal situation, the basis of all industrial production, is not improving as rapidly as had been hoped.

While numerous major industrial groups, including iron and steel, vehicles, ceramics, paper and pulp, textiles, and leather, pushed into new high ground during May, the momentum of the advance was noticeably less than in April, according to the Reports and Statistics Branch of Economics Division, OMGUS. The only sharp rise for the month, amounting to almost 50 percent, was for stones and earths, but this group had lagged previously in its recovery from the winter recession. Its May output was still only 34 percent of the 1936 rate as compared with the October high of 42 percent.

Iron and steel, flat glass, and paper and pulp all advanced about 20 percent during the month. In the iron and steel industry, output of rolling mill products rose 40 percent and steel ingots almost as much; pig iron production increased by about 10 percent. As a result, the steel index reached a new peak level of 53.6 percent of the 1936 rate as compared with the previous high of 52.9 in January. But at best the US Zone can satisfy only about one-quarter of its own steel requirements, the bulk of which must still be supplied from the Ruhr, where steel output remains less than 20 percent of prewar.

Paper and pulp also reached a new occupation high—37 percent of the 1936 rate against the October peak of 34—attributable largely to a sharp increase in the production of chemical sulphite pulp. May's flat glass output, at 95 percent of the 1936 rate, was still well below the peak of 115 percent attained last June.

Gains ranging between 10 and 17 percent were scored by vehicles, saw mills and leather. A substantial increase in truck production brought the vehicles group to 17 percent of the 1936 rate—a new peak. Leather also reached a new peak at 39 percent of 1936 output as compared with the previous high of 36. Lumber production, despite its May increase, was only about three-quarters of the prewar rate which was touched last October.

Rubber, which fell four percent from April, and precision instruments and optics, in which output dropped somewhat because of a 15 percent decrease in camera production, were the only industrial groups to show a decline during the month. The other groups made small advances. Although textile production rose only five percent as compared with April, the index for the group advanced to 47. Last fall's high was 39. The self-liquidating cotton imports, and the consequent progressive improvement in the output of cotton yarn and cloth, were responsible for the steady gain in this industry.

DESPITE the overall industrial progress made in May, further substantial gains in the immediate future are unlikely.

The current output of coal in the Ruhr basin is far short of the minimum needed for sustained industrial expansion. Although the daily rate of output in the Ruhr mines has been rising slowly for the past few weeks, and crossed the 220,000 ton mark on 13 June for the first time in 10 weeks, it is still well below the post-war peak of 238,000 tons which was reached on 22 March.

Substantial quantities of coal must be reserved for minimum space heating requirements during the coming winter, and, moreover, the stocks upon which industry was able to draw during 1946 have been exhausted. Consequently, although current mine outputs is much higher than last fall's average of about 185,000 tons daily, the amount of coal available for industrial use in the combined UK/US Zones is no greater than it was in October and

THE effects of this fuel shortage are already becoming manifest—for example, in the inability to reactivate two newly refitted blast furnaces in the US Zone which have been ready for operation since April. The Sueddeutsche Kalkstickstoffwerke at Trostberg, Bavaria—the sole producer of cyanamid fertilizer in the US Zone, and the only important producer in the bizonal area—closed down on 8 June for lack of coal, but was expected to resume operations shortly. Unless coal output expands sharply, such instances are certain to multiply in the next few months as more plants are restored to working order.

Transport is another adverse factor which may make itself felt increasingly in the coming months. There has been a steady decline in the availability of freight cars in the bizonal area. With any significant expansion of coal output, the transport bottleneck may become still more serious. Nevertheless coal—and as far as the bizonal area is concerned, this means Ruhr coal—remains the key to the whole industrial problem.

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American-German Women's Club

Baden. Another contest will give two German and two American women a chance to try out each other's recipes.

In the process of organization is a Working Committee, which will gather American clothing to be remade into children's clothing by the club members. These garments will be distributed either through the various welfare organizations or given directly to needy children.

Letters have been received from all parts of Germany telling how enthusiastically the idea of an American-German Women's Club has been received. Many of the German women write of their interest in meeting American women. Clubs based on the same idea as the one in Stuttgart are now being formed in other parts of the US Zone.