

INDUSTRY CONTINUES TO RISE IN AUGUST

INDUSTRIAL ACTIVITY in the Bizonal Area is rising towards the 1936 level. The continued upward rise is shown by the new index of the volume of industrial production for the Bizonal Area that has been constructed by the German Bizonal Department of Economics at the request of, and in cooperation with Military Government. The new index, which in August became official for the Bizonal Area, is constructed on a truly bizonal basis.

The provisional index, used since December 1947, was a combination of the existing indexes for the US and British Zones of Occupation. While these bizonal indexes were not strictly comparable, the methods used in constructing them were similar enough to permit their combination to secure a provisional index which was used pending the construction of the new index from data on a bizonal basis.

Preliminary figures for August showed that the new index stood at 67 percent of 1936, as compared with 66 for the old index. Both indexes indicated an increase of eight percent over July, for which the revised index showed 62 and the old index 61 (revised). On the average for the year August 1947—July 1948, the new index was 4.6 percent higher than the old.

The general method used in constructing the new index is the same as that previously used for both zonal indexes. Production of each important item, expressed in quantity units, in the current month is compared with the monthly average production of the same item in 1936.

The items are arranged in 19 industry groups for the most part in accordance with the established German industrial classification. Indexes for the groups are made by combining the items according to the relative importance of their 1936 production in the groups. The industry groups are weighted together on the basis of value added by manufacture in each group in 1936.

For a few groups, production data for August were not available, but these groups have been estimated on the basis of value of production deflated for price changes, employment adjusted for changes in labor efficiency, and consumption of iron and steel in the industry.

BOTH THE NEW and old indexes included mining and production of electricity and gas but excluded construction (other than iron and steel construction) and food processing, for which no adequate data were available. With the above exclusions, virtually every industry group is re-

presented in the new index either by production of important individual items or by a substitute series. The revised index also incorporated numerous corrections and revisions in base-period figures and current production data.

For the purposes of comparison, the two series are shown (in the adjoining table) by month for the period January 1946 to August 1948 for the Bizonal Area.

Press Licensing to End

US Military Government is preparing to relinquish its licensing powers in the field of newspapers, books, periodicals and other publications, Col. G. E. Tector, director of Information Services Division, OMGUS announced. The present MG licensing system will be terminated as soon as German legislators have enacted laws which will adequately protect freedom of the press in the US Zone of Germany.

With the ending of MG licensing, it is not intended that a German licensing system be inaugurated. It will then be possible for individuals or groups, such as political parties, labor unions, religious organizations or educational bodies to enter the publishing field without the necessity of obtaining a special license to publish. Only such requirements as are made of other businesses will be required of publishers in the future.

State OMG directors are being requested to inform the German ministers-president of the necessity for passing adequate press legislation, which will prohibit censorship, protect the press from governmental domination or domination by special-interests and which will guarantee that there be no arbitrary interference by the police or other administrative bodies in the free flow and dissemination of news and printed matter.

Conferences are being initiated with political leaders in the states of the US Zone to acquaint them with the MG decision.

Indexes of Volume of Industrial Production

(excluding food processing and construction)

(Not adjusted for seasonal variations)

100 represents 1936 average

	1946		1947		1948	
	revised	old	revised	old	revised	old
Monthly Average	34	(33)	40	(38)		
January	27	(26)	31	(29)	47	(44)
February	28	(27)	29	(28)	48	(45)
March	31	(30)	34	(33)	51	(48)
April	31	(30)	39	(37)	54	(50)
May	34	(32)	41	(39)	48	(46)
June	34	(33)	41	(39)	52	(51)
July	38	(36)	42	(42)	62	(61)
August	39	(37)	42	(42)	67 *	(66) *
September	39	(37)	43	(42)		
October	40	(38)	46	(43)		
November	39	(38)	45	(44)		
December	33	(32)	45	(43)		

* Preliminary