

HEADQUARTERS
UNITED STATES FORCES EUROPEAN THEATER
Economic Branch
G-5 Division

ECONOMIC ADMINISTRATION AND GENERAL ADMINISTRATIVE
RE-ORGANIZATION IN THE HESSEN AREA

PART I

1. SCOPE AND OBJECT OF REPORT.

This report is based on investigation by Major A. J. Gottlieb, German Agencies Officer, Econ. Branch, G-5, USFET, and Dr. W. Friedmann, attached to Econ. Branch, G-5, USFET. The object of this investigation was a study of the re-organization of government and administration in this area with particular emphasis on economic agencies. Towns visited were Darmstadt, Offenbach, Worms, Frankfurt, Wiesbaden, Kassel, Marburg, Giessen, Wetzlar, Tulda, Alsfeld, Hersfeld and Bad Homburg. The detachments visited included those located in major cities, medium sized towns and rural districts. Military Government officers and German officials were interviewed.

2. LAND HESSEN.

The regional administration was formed some months ago for the former Hessian province of STARKENBURG. It is at present being extended to the former Hessian province of OBERHESSEN. The third province which formerly constituted Land HESSEN, together with the above mentioned provinces (RHEINHESSEN) is now under French administration. It has been decided that the remainder is to form a new Land HESSEN under U. S. Military Government. It will, however, be diminished by the transfer of a small but important area, around the town of OFFENBACH, to the new Regierungsbezirk FRANKFURT, which will be composed of certain parts of Land HESSEN and the Regierungsbezirk WIESBADEN. The remaining area of Land HESSEN is therefore small divided and overwhelmingly agricultural.

The government of Land HESSEN at DARMSTADT is now divided into 9 functional departments: general and internal administration; police; public health; finance; food, agriculture and forestries; justice; education; reconstruction and labor; personnel. By far the largest of these departments is that for reconstruction and labor, which is divided into the following sub-departments: building and construction, economics, power and fuel, communications, labor matters, price formation and price supervision, social services, and housing. Under the section for economic matters, the Industrie-und Handelskammer has been reformed as an advisory body representing industry and trade. Its membership is voluntary, and it assists the government department for economic matters, e.g. by sending a representative to a committee formed for the distribution of war booty released by the U. S. Forces. One or two economic groups (e.g. the hotel industry) are being reformed.

Under the departments for economics and labor, there are the local economic and labor offices but no attempt has as yet been made to create either a regional labor office or a regional economic office for Land HESSEN. The heads of the departments concerned stated that they wished to continue to collaborate with the regional economic office at WIESBADEN and the regional labor office at FRANKFURT, in view of the smallness of the remaining parts of Land HESSEN and of the way in which they are geographically and economically linked with the province of NASSAU (now to form the southern part of the new Land HESSEN=NASSAU), they were however uncertain about the authority of the regional labor and economic offices, in FRANKFURT and WIESBADEN respectively, to issue orders to authorities within Land HESSEN. The Landesver-

sicherungsanstalt, the regional social insurance office responsible for invalidity and old-age pensions of manual workers, and also for all those matters of health insurance which can only be dealt with on regional basis, also continues to function for Land HESSEN and the former province of NASSAU (Regierungsbezirk WIESBADEN).

3. REGIERUNGSBEZIRK WIESBADEN.

In view of the uncertainty of the political and administrative boundaries in this region, an elaborate governmental structure has been built around the Regierungspräsident at WIESBADEN. Traditionally, the functions of the Regierungspräsident have not included economic control but now a department for economics has been set up under the Regierungspräsident, and the pattern developed there deserves attention as it seems to solve in an imaginative manner some of the organizational problems of economic control rising under Military Government.

The new department of economics functions as a kind of miniature economic ministry. Its head is a former industrialist, with a clear anti-Nazi record. The function of this department is a general direction of economic life in the district, under the orders of Military Government. Military Government gives a general authority for production in the permitted categories. The head of the department for economics then confers with the head of the Landeswirtschaftsamt, who is sub-ordinate to him, and the Präsident of the competent local Industrie- und HANDELSKAMMER, which has been reconstituted with new managing personnel and as a purely advisory body. It has taken over the tasks of the former economic industrial groups (Wirtschafts- und Fachgruppen). The Landeswirtschaftsamt, which used to be confined to the regional control of rationing of non-food necessities, has now also taken charge of the functions formerly exercised by the Reichstellen. It is thus responsible for the procurement and allocation of raw materials. A decision on any particular production problem is made in the following way: as a committee, composed of the director of the Economic Department, the head of the Landeswirtschaftsamt, and the Präsident of the Industrie- und Handelskammer decides, within the limits of authorization, on the order and priority of production tasks. When this decision has been made, the head of the Landeswirtschaftsamt is charged with the task of getting the necessary raw materials. The allocation of orders to factories is made in consultation with the Industrie- und Handelskammer; but apparently no fixed principles as to the allocation between one firm and another are laid down. The director said that it was impossible to lay down general rules on that. Detailed rules however have been issued about the political purge of industries and trade. Quite recently a committee of three, consisting of a lawyer, an employer and an employee, has been formed to review all industrial and business personnel in leading positions (directors and managers). An appeal against the decision lies with the Regierungspräsident. When the leading personnel has been either affirmed or newly appointed, they confer about other personnel with the Works Councils. These have so far been formed spontaneously and, in the absence of directions, not by any regular or uniform procedure. It was too early to say how this system would work as it had only just begun to be put into operation.

The Economic Department includes price control and labor control. In matters of labor, it accepts the directors of the Regional Labor Office at FRANKFURT because this is thought to be a sheer practical necessity, but neither side knows the exact area of the authority of the Regional Labor Office at FRANKFURT. The situation is confused further by the fact that some major towns, like FRANKFURT, WIESBADEN, and OFFENBACH have been instructed by the local Military Government not to accept instructions from any regional authority. In some cases, the local Military Government Detachment, through the Oberbürgermeister, controls all the functions itself; in other cases, such as labor and economics, the area of the authority of the regional office is uncertain. As stated before, WIESBADEN

continues to be responsible for some economic control functions of Land HESSEN, but neither side is certain on the exact position. Again, the Regional Labor Office at FRANKFURT exercises an uncertain authority over the Regierungsbezirk WIESBADEN, except for the towns which have been instructed not to accept any directions. The Regional Food Office at FRANKFURT alone seems to exercise unchallenged jurisdiction over Land HESSEN and Regierungsbezirk WIESBADEN, as has been the case before.

As in HESSEN-NASSAU, the authorities at WIESBADEN emphasize the practical impossibility of having separate economic and labor controls for these small areas of Land HESSEN and the REGIERUNGSBEZIRK WIESBADEN, for reasons which are obvious from a glance at the map.

A further complication arises from the fact that both Land HESSEN and the Regierungsbezirk WIESBADEN have been, or are being, deprived of some of their most important territory. Land HESSEN is losing the whole of RHEINHESSEN to the French, while its most important industrial town, OFFENBACH, with the surrounding district, will contribute to form the new Regierungsbezirk FRANKFURT. From the northern part of Land HESSEN, the district of FRIEDBERG will also go into the new Regierungsbezirk. Regierungsbezirk WIESBADEN is losing its four most western KREISE to the French, while its most important town, FRANKFURT, together with HANAU and four districts, is going to make up the new Regierungsbezirk FRANKFURT.

It is therefore not surprising that the administrative authorities concerned are in a state of great confusion and bewilderment.

As interviews with the Oberbürgermeister of FRANKFURT, the Präsident of Land HESSEN and the Regierungspräsident of WIESBADEN showed, they are only vaguely aware of the new plans. In particular, they do not know about the intention to make MARBURG the new capital of HESSEN-NASSAU or of the definite administrative separation of NASSAU and Land HESSEN.

4. FRANKFURT.

The general administrative position of FRANKFURT is at present in a state of transition. Some weeks ago the Oberbürgermeister was appointed provisional Regierungspräsident and informed that FRANKFURT was not to accept any more directions from WIESBADEN. But no further developments have taken place, and FRANKFURT at present takes orders from Military Government, without coming under any German regional authority. No attempt has been made at FRANKFURT to build up any machinery for a new Regierungsbezirk. No instructions have been given on this matter, and the administration at FRANKFURT seems to feel as alarmed at the prospect as that at WIESBADEN. There are however two important regional authorities at FRANKFURT both of which have for some considerable time exercised authority in their field over a wider area.

The Regional Labor Office at FRANKFURT was formed in connection with the great reform of labor organization under the WEIMAR REPUBLIC which divided Germany into a number of labor regions. One of these was composed of the former Land HESSEN and the province of HESSEN-NASSAU, as an area which has generally been found suitable from an ethnological as well as an economic point of view as a distinct regional unit. Labor control continued to be exercised over the whole of this area until late in the war when the Regierungsbezirk KASSEL was turned into a province, so as to bring it under direct control of the Gau-leiter for KURHESSEN, and labor control was based on the Gau. The Regional Labor Office, has been reconstituted as Landesarbeitsamt under the direction of a prominent former labor union leader, and its organization is well advanced. It has revived the former main departments; for provision of work, unemployment insurance, vocational advice and statistics. It has paid per-

ticular attention to the public works section, in view of the vast problems arising in this respect. In the absence of any clear rules on labor law, collective bargaining, trade unions, etc., it has also formed a section for labor law and labor production, as a temporary successor to the former conciliation boards attached to the labor offices. As soon as possible it is intended to reconstitute the former democratically - formed administrative and conciliation committees in which elected delegates of employers and employees collaborated with the officials on matters regarding labor problems of all kinds.

Like practically every other regional office in this area, the Landesarbeitsamt FRANKFURT is uncertain about the extent of its authority. On the one hand certain towns, like OFFENBACH, might have been prohibited from accepting its directions; on the other hand, it does not know whether its authority is to extend over the whole of the HESSEN area, over the new Land HESSEN=NASSAU, or over the area, which it controlled last consisting of the NASSAU (Regierungsbezirk WIESBADEN) and the NASSAU part of the land HESSEN. Further complications may arise from the constitution of the new Regierungsbezirk FRANKFURT. The President of the Regional Labor Office mentioned two particular difficulties arising from the present situation: One is the fact already referred to that Land HESSEN is wedged into NASSAU and that large numbers of persons employed in one of these two areas resides in the other. The other is the financial difficulty arising from an excessive curtailment of jurisdiction of the Regional Labor Offices. The latter have always been financed out of the unemployment insurance contributions formerly collected for the Reich and then reallocated to the Regional Labor Office, which in turn, distributed them among the local labor offices. Now unemployment insurance contributions are again collected, and out of them the costs of labor organization could be financed. But the Regional Labor Office naturally refuses to accept financial responsibility for labor offices which have been specifically prohibited to accept any directions from it. Also, the basis of the financial scheme has been the possibility to even out contributions as between agricultural and industrial districts. The latter naturally yields by far the major income and it has been one of the functions of the Regional Labor District to equalize the position. The President pointed out that a labor district formed for example for the remnants of Land HESSEN would consist of two Arbeitsämter, both controlling rural districts which would financially be quite unable to look after itself.

The Regional Labor Office at FRANKFURT apparently collaborates loosely with the labor administration for KURHESSEN at KASSEL where no separate regional office has as yet been set up.

The Regional Food Organization at FRANKFURT is a successor of the former Landesbauernschaft and Landesernährungsamt. The latter used to be at DARMSTADT, the former at FRANKFURT. Now both are at FRANKFURT, though they work in separate buildings. The Department of Agricultural Production is now called Landwirtschaftskammer. It has taken over the former Department II (Agricultural Production) of the Landesbauernschaft. Department III of the Landesbauernschaft, dealing with marketing had divided into the different marketing and supply associations (Wirtschaftsverbände) has now been incorporated into the Landesernährungsamt which is also responsible, as before, for the rationing of food.

The district over which both departments operate is still the same as before, comprising Land HESSEN (minus the now-French occupied parts) and the former province of NASSAU (Regierungsbezirk WILSBADEN). The Landesbauernschaft is attempting to assume full authority of the district offices which correspond to the former Kreisbauernschaft; but largely owing to the state of communications it is not yet clear to what extent these district offices are still responsible to the Landrat or direct to the Landesbauernschaft, it should be in order that the

Wirtschaftsverbände are now in most other regions incorporated into the Landesbauernschaft or its equivalent and not into the Landesernährungsamt. The same situation as in FRANKFURT exists in KASSEL. The matter is one which calls for uniform regulation.

5. KURHESSEN (KASSEL).

The reconstitution of administration in KURHESSEN has been rather simpler than the other parts of the HESSEN region because it has for some years operated as a separate district for general administrative and economic controls and in contrast to the other parts of HESSEN, its area has not been affected. The administration has not therefore suffered from the same uncertainty and confusion as the other regional authorities discussed before. The new head of the area is called Ober- und Regierungspräsident. Under him, a department of economics is organized on lines similar to those described for WIESBADEN. A general section controls all economic problems and is assisted by a Chamber of Commerce in an advisory capacity. Under it, a Landeswirtschaftsamt deals not only with rationing but also with power and raw materials. Parallel to it, the Price Control Office is in charge of price formation and price supervision. Parallel sections are those for labor control and for trade control (meaning factory inspection). No distinct regional labor office appears to have been set up and there seems to be some loose collaboration with the Regional Labor Office at FRANKFURT.

The Regional Food Organization also closely resembles that at FRANKFURT. A notable development has however taken place in this area which has not been met in any of the other areas surveyed so far. As a democratic alternative to the authoritarian Kreisbauernschaften, elected district associations (Kreisvereine) are being formed again in these, the farmers of the district elect a committee of six consisting of two representative of big land owners, two of small owners or farmers, one gardener and one agricultural laborer. This management committee of six is beginning to act as advisory council to the agricultural official who has succeeded the Kreisbauernführer. As the Bauernschaften on all levels were compulsory associations and held assemblies in which the leader simply announced his decisions. This attempt to restore a democratic form of self-government should be studied carefully. In this area, as in the food district for Land HESSEN and NASSAU, the Wirtschafts Verbände have been incorporated into the Landesernährungsamt (Department B) and not into the Landesbauernschaft (Department A).

6. LAND GOVERNMENT AT MARBURG.

A short visit to MARBURG, as the prospective center of the new government for the Land HESSEN-NASSAU, revealed that the E Detachment which is to exercise supervision has not yet started to assume control, though it intends to do so in the near future. Exactly how the Land Government Organization is to be related to the three Regierungsbezirke which it will have to control (FRANKFURT, KASSEL, WIESBADEN) it is not yet possible to say. MARBURG has been no regional administrative center of any sort, and it is a new departure for a Regional Government Center to be set up at a place separate and far removed from all regional control functions. Apparently it is intended to take the German administrative personnel from the three Regierungsbezirke. No information could be obtained as to the extent to which Regional Control functions would be transferred from the three Regierungsbezirk to MARBURG.

PART II

ORGANIZATION OF GERMAN AGENCIES ON KREIS LEVELS

1. General Administration.

a. Offenbach. The newly appointed Oberbürgermeister had been a city employee for 26 years previously and had been nominated for this office by a citizens' committee and later appointed by M.G. The present administrative force in this city totals about 1600 employees and all the various bureaux are functioning. The Oberbürgermeister is forming a new advisory committee which he has submitted to the M.G.O. for approval. This committee will consist of representative citizens from industry, labor and administration.

b. Kassel. The newly appointed Oberbürgermeister of this city has divided the administration into 12 main branches. The Food Office, Departments A and B, as well as the Economic Office, are under the direct supervision of the Oberbürgermeister, but the Labor Office is separately constituted. De-Nazification of the offices has not progressed very far since it was noted that the majority of the directors of the 12 bureaux had been Nazi party members.

c. Marburg. A new Oberbürgermeister had been designated by M.G. on 6 April 1945; the man selected had been a superintendent of schools for 20 years. He has four chief assistants and a committee formed of representative citizens. Of the approximately 100 persons employed in the offices of the city administration, there still remain approximately 25 Nazi party members in sub-ordinate positions in the various divisions.

d. Giessen. The new Oberbürgermeister who had been appointed by M.G. on 17 April has apparently organized the economic functions on a very sound basis. Under his immediate supervision, he has Department B of the Food Office, the Economic Office, and the Labor Office. This official was of the strong opinion that the continued separation of Hessen from Hessen-Nassau is not feasible because of the close economic inter-relation of the two regions.

e. Wetzlar. The Landrat of this Kreis has immediate supervision of the following offices:

- (1) General Administration
- (2) Supervisions of Townships
- (3) Kreis finances
- (4) Department B of the Food Office
- (5) Economic Office
- (6) Childrens' Bureau (Jugendamt)
- (7) Insurance Office
- (8) Kreis Police Offices
- (9) Construction office
- (10) Kreis Banking Offices

but none of these divisions had as yet a chief administrator. A majority of the subordinate officials had been Nazi party members and in spite of having been discharged from office recently, were still at their jobs and were engaged in orienting the new incumbents.

f. Hersfeld. The Landrat of this Kreis has organized his office into six sub-divisions as follows:

- (1) Department B of the Food Office
- (2) The Kreis Economic Office
- (3) The Kreis Relief Office
- (4) The Finance Department
- (5) The Insurance Office, and
- (6) A General Administrative Division.

In this city, Department A of the Food Office was a separate Office under the Kreisbauernschaft. The Landrat intends to form a committee to assist him in his various functions.

2. Trade and Industry, Price Control, and Rationing.

a. Offenbach. A Chamber of Commerce has been constituted here and the director has been approved on 22 May 1945 by M.G. Membership in this Chamber of Commerce is compulsory and the allocation of orders is a chief function of the Chamber although decisions are approved by M.G. The Oberbürgermeister is consulted on all matters relating to industry but the director of the Chamber stated that its decisions were usually approved. A Fachgruppe for leather is in operation in this town and it is apparently entirely independent, either of the Chamber of Commerce or of the Economic Office. It has the power to distribute raw materials to various plants on any basis it considers equitable and its decisions, although subject to approval by the Oberbürgermeister, do not seem to be questioned at any time.

The Economic Office is in operation under the jurisdiction of the Oberbürgermeister. It continues chiefly its function of distribution of manufactured goods and has little or no connection with the Chamber of Commerce. Up to the time of this survey, it had been operating directly under the Regional office at Darmstadt. The industrial situation in Offenbach is satisfactory since many of the leather goods industries are in operation, although the various machine tool shops are as yet not working to any great extent except in the servicing of the leather goods trade.

Membership in the Fachgruppe Leather is compulsory. This organization has a full time manager and a business office where it controls in conjunction with the Chamber of Commerce, the distribution of raw materials; but it also acts in an advisory capacity regarding questions of production.

b. Kassel. A Chamber of Commerce has been formed in this town, membership in which is compulsory. The decisions of the Chamber are submitted to the Oberbürgermeister for approval. The Economic Office, as usual, is concerned mainly with rationing of goods. Framework of the various farm industrial and trade groups still exists. The licensing of new businesses is conducted through the Chamber of Commerce, subject to approval by the Oberbürgermeister. No attempt to de-Nazify any of these semi-governmental agencies has been made, except in special cases where the C.I.C. has ordered the removal of certain officials.

c. Marburg. In this city, the Economic Office has been combined with the Department B of the Food Office and was concerned mainly with distribution of products. There is a Handcraft Chamber in existence which operates separately and there have been no attempts to de-Nazify this office nor any of the other semi-official groups, such as the various industrial and trade groups which are still in existence in their former state and are not under the supervision of the Economic Office. There are no committees formed nor has a Chamber of Commerce been constituted.

d. Wetzlar. The Economic Office has been reconstituted under the management of a former Kreis Inspector, who has been a Nazi party member since 1933. Information received indicated that he was expected to be replaced very shortly. As in all previous cases, this office has few functions except those of rationing the various goods. It has no control over the Chamber of Commerce and very little control over industry in general.

The Chamber of Commerce in this city is very well organized and has considerable control of trade and industry. It furnishes statistical information and makes various recommendations to the Landrat. Here there are no industrial or trade groups in operation and for this reason the Chamber of Commerce is in control of practically all functions relating to industry and trade. Although the Landrat reviews the decisions of this office, the business manager stated that in no case were their decisions reversed.

This city is the site of the Leitz Camera factory and the industrial situation is dominated by this plant which employs approximately half of all the industrial workers.

e. Giessen. The Chamber of Commerce is organized along approximately the same lines as those in the cities mentioned above. It is an independent organization and all membership is compulsory. There are five paid employees and the bureau is supported by compulsory dues from the membership. This particular Chamber has more autonomy than most of the others, particularly since it exercises control over the industrial and trade groups existing in the Kreis. The business manager has been a Nazi party member since 1941. It was his opinion that the Chamber of Commerce should, at all times, be independent but that close working agreements with other Chambers in adjacent Kreise should be formed.

f. Fulda. The Economic Office here is concerned only with rationing of consumer goods. The Chamber of Commerce is directed by a business manager who has been in office for 13 years. He is a Nazi party member as of 1941. Membership is compulsory and dues are also compulsory. The Chamber has autonomy but decisions are submitted to M.G. for approval. De-Nazification has just been started with the submission of questionnaires to management of factories and businesses.

g. Herfeld. The Economic Office is in operation but no Chamber of Commerce is in existence. The Head of the Economic Office stated that a great deal of barter trade is in evidence in the Kreis. The licensing of new businesses is conducted thru the office of the Landrat. In this town there are no trade or industrial groups but the director of the Economic Office believed that branch offices should be established.

3. Food and Agriculture

a. Kassel. Both Departments A and B of the Food Office are under the supervisions of the Oberbürgermeister. Department A is, however, under the immediate direction of the Kreisbauernschaft. The agricultural schools are shortly to be opened and will function as formerly. The local farm leaders are being newly designated by the Bürgermeister of the various towns. It is planned that as soon as possible hereafter, these officials will be elected by popular vote. There are several large estates in this area which have been leased by their owners to managers who, in turn, have parcelled out the acreage to numerous farmers. The lessees pay all the working and income taxes whereas the land taxes are paid by the lessor.

Division B of the Food Office is working directly under the Oberbürgermeister but receives functional instructions directly from the Provincial food office. There is evidence of black market operations in this Kreis. Information was also received that in some cases the prices of food products have been raised to offset the lack of payment of subsidies. This has resulted in higher retail prices in some instances, particularly on meat and butter. The M.G.O. of this city was advised to discuss the matter with the Regional M.G. Detachment.

b. Marburg. Department A is operating under direct instructions from the food office at Kassel. The local agricultural school have been opened and de-Nazification has been carried out through the area. Department B is divided into two sub-groups, one operating under the Oberbürgermeister, and the other under the Landrat. The director of the combined group has been a Nazi party member since 1937. Considerable black market activities are in evidence although a Price Supervision Office exists with a new police team attached thereto, but the latter are not sufficiently well trained to effect good control. Considerable barter trade is in evidence, especially between individual farmers and DPs.

Department B of this Office controls the various distribution agencies which are apparently operating efficiently in the area.

c. Wetzlar. The director of Department A has been a Nazi party member since 1933. He seemed to be a efficient administrator and the organization of the various local offices is further advanced than in other areas. In particular, the distribution and collecting agencies are operating very well. Department B is also under the direction of a former Nazi party member. It receives functional instructions directly from the Regional food office at Frankfurt. In this Kreis, the extra rations coupons for heavy workers are being distributed to the factories and businesses employing such labor.

d. Giessen. Department B of the Food Office is combined with the Economic Office and is concerned entirely with the rationing of food and non-food goods. A new director has been installed by M.G., who had not been a Nazi party member but his assistant had been in the party since 1937. This Kreis is agriculturally self-supporting and, in fact, has considerable surplus of farm products, which, are usually shipped into areas of Hessen-Nassau.

e. Fulda. Departments A and B are combined in this city. There appears to be a serious shortage of sugar and salt, as well as nahrmittel. In all the districts north and northwest of Frankfurt, this condition is apparent. The entire area of Hessen-Nassau has a surplus of bread grains, fats, and meat, but is short of sugar and salt.

In this city, the director of the Food Office, who has been a Nazi party member since 1937, is considering the abolition of the office of Ortsbauernvortsteler and intends to deal in future through the Bürgermeisters of the various townships. Shortages of transportation is very marked and the black market is reported active. Distribution of additional rations for heavy workers is being conducted through the factories which employ such workers. The previous method was to make this extra distribution through Division B of the Food Office directly to workers, but the Kreis has recently received an order from the Regional Food office at Frankfurt to change the distribution method as stated above. The directors of the office do not believe that this is as efficient a method as the former one since in such case they lose control over the individual workers.

f. Alsfeld. Department B of the Food Office in this Kreis stated that all Supplementary rations for heavy workers had been cancelled and that throughout the Kreis only regular rations were now being distributed. The town has very little industry but the decision in this matter was apparently made by the Landrat without orders having been received from higher authority.

g. Bad Homburg. The Food and Agriculture Office has been newly re-activated under a director who had not been a Nazi party member. This official stated that collection and distribution of farm products in his Kreis was not progressing favorably. This is due in part to the lack of organization of distribution

agencies but particularly to shortage of transportation. The area has surpluses of butter and meat which, so far, it has not been possible to collect.

4. Labor.

a. Offenbach. A new director has been appointed for the Labor office. Labor records are intact and supply the basis for registration of all workers. A general union had been organized in this town but has been enjoined from further activities by order of the M.G.C. It was stated that the reason for such action was that the union had collected compulsory dues and that it consisted almost exclusively of former members of the Communist Party. There is some unemployment in this city which is highly industrial since many of the machine tool plants are not in operation.

b. Kassel. The Labor Office is in the process of registering all male labor between the ages of 15 and 65 and all female workers between the ages of 16 and 45. There is a plan in existence to form a general union which will be non-political and will have representation of all types of labor in the area. This plan will shortly be submitted to the M.G.C. Meanwhile, the factories have established plant unions and shop stewards have been elected. This office is receiving instructions through the labor office at Kassel which in turn receives orders from the Regional labor office at Frankfurt. The director of the Regional labor office at Frankfurt has recently made an inspection trip to Hessen-Kassel and has visited this labor office. There appears to be a duplication of functions by the Frankfurt office and the office at Kassel, which is confusing to the local labor office since it previously received instructions from Frankfurt directly.

c. Marburg. Direction of the labor office is under a new manager who had been named by M.G. 16 April 1945. A sub-committee has been formed to help in the administration consisting of four advisers, one a factory owner, one an official, and two workers. This committee meets once a week. Registration of labor has not been completed. No unions of any kind have been formed. Forced labor gangs had been organized of former Nazi party members who were ordered to work on repair of streets and on other construction work on Sundays. However, this was discontinued because of considerable pressure by those who were incorporated into these labor gangs. These stated that many Nazi party members were still employed in the government and that the selection of the labor crews was arbitrary. The Oberbürgermeister then ordered the cessation of such Sunday work with the approval of the M.G.C.

d. Wetzlar. The workers of various plants were in process of forming plant unions and electing stewards but no general union movement is apparent. There is considerable shortage of unskilled labor in this town and some over-supply of skilled workers. The labor office is attempting to balance this condition by forcing some unemployed skilled workers into the lesser skilled jobs. A special office has been set up for the handling of Nazi party members. This intends to organize forced labor gangs.

e. Giessen. A new director of the Labor Office has been designated by M.G. This man was formerly a merchant and was apparently operating efficiently. The various factories now in operation have elected shop stewards and have plant unions organized. An overall union movement is in progress and plans are being formulated which will be submitted to M.G. shortly. The Military Government labor officer is in need of a clear directive on the union questions since he does not know just what action to take when the plan is submitted. Unemployment exists to a large extent since there are 1400 male workers and 1100 female workers listed as unemployed. Giessen has been heavily bombed and the director of the labor office is considering the formation of forced labor gangs for clearance. The usual shortage of construction workers is reported.

In the area of the Kreis there exists considerable shortage of agricultural workers and although there is unemployment, it is not thought possible to place city workers on the farms since they lack experience. There are many Ukrainian DPS in the area but the farmers refuse to employ them because they state that such labor is unreliable and migratory. A considerable number of discharged soldiers are appearing in the area but often fail to register. Such workers do not receive their food ration cards but with the general disrupted condition of the Kreis, they are usually not discovered since in most instances they take refuge in the suburbs of the city of Giessen and in the farm districts.

f. Fulda. The director of the Labor Office has been a Nazi party member since 1933. The registration of employees is continuing and such workers who do not report for registration have been apprehended and tried in the military courts. In many cases, heavy fines have been imposed. People in the area seem to be well supplied both with money and food. With the approval of the M.G.O., forced labor will be inaugurated and in such cases, Nazi party members will be impressed before others. The usual shortage of construction workers is apparent. Plant unions can be expected to form and shop stewards have already been elected. This town employs a considerable number of female workers, particularly in the large wax and candle industry. The redeployment of labor has been found to be exceptionally difficult. A vocational school has been reopened in the city and is registering apprentices. Although the city is industrial, there has in the past been little labor difficulty. Most of the population formerly belonged to the Zentrum Party since the population is mostly of Catholic faith. There is some trend to Communism but membership in this party before 1933 was decidedly in the minority.

g. Hersfeld. With the approval of the M.G.O. in this city, an office has been set up to act in an advisory capacity to workers. This is not an official organization but it has been instrumental in starting plant unions and in de-Nazifying the industries. The office is under the direction of a former labor organizer who was a member of the Social Democratic Party. It is supported by voluntary contributions. The director is at present working on a plan for a general union which is expected to be submitted to the M.G. in the near future.

h. Bad Homburg. The director of the labor office has formulated a plan which he believes would be applicable to all areas under American control. His plan is to register all males between the ages of 15 and 60 and all females between the ages of 15 and 45. All such registered labor would be forced to work on designated projects for 30 hours every week except in the case of Nazi party members who would be forced to work 100 hours. The only exceptions to this category would be war cripples and the sick. If for any other important reason any person were excused from forced labor, he would have to pay a wage to the administration in accordance with his former income. If, for example, the average wage of a citizen excused from work were 250 Rm per month, he would be required to pay 1.20 Rm per hour to the town for such period of time during which he had not worked up to the required 30 hours per week. The various industrial enterprises would supply lists of their employees. Each employee would get a card with the seal of the township impressed and the factory would receive the ration cards for their employees. The Labor Office and the Construction Office would both register unemployed people and would group them in teams of 25 to 30 under a leader. This leader would be responsible for a check of the amount of hours worked and would turn a daily report into the Bürgermeister. The division of the 30 hours of work would be determined by the community. This official was of the belief that the above plan would enable the reconstruction of the damaged cities and would be a fair way of dividing the work.

PART III

1. CONCLUSIONS

The foregoing survey reveals a state of confusion which has no parallel in any other area visited in the Western Zone of Occupation. The main reasons for this can be summed up as follows:

a. Whereas the tendency has everywhere been to adjust the economic and social control functions to the new boundaries of political and administrative organization, this is being done only haltingly and with great reluctance in Land HESSEN, especially in relation to the former province of NASSAU. In particular it is realized that for purposes of economic and labor control Land HESSEN, if left to its own devices, would face rapid disaster. The situation has been aggravated by the impending cession of Land Hessen to the French and of OFFENBACH and district to the New Regierungsbezirk FRANKFURT. The remaining parts of Land HESSEN constitute a district which neither in size, population, or resources can bear any comparison with any of the other Regional units formed in the U. S. Zone and as far as is known in the British Zone. Moreover the two remaining provinces of this Land HESSEN do not even form a continuous area but are separated by a strip of the new Land HESSEN-NASSAU. In the absence of strong Reich authority which alone made the largely nominal survival of unequal regional units possible in the past, Land HESSEN is thus forced to seek continued association in particular with the neighboring district of WIESBADEN, the latter are however now expected to form a political unit with KURHESSEN, so that the former division, under which KURHESSEN had an industrial administration and NASSAU, with Land HESSEN as another, is no longer possible. The situation of Land HESSEN is particularly precarious in regard to economic production and labor. The basic principles behind the function of economic districts has been that of a balance between industrial and agricultural areas. Land HESSEN however, with its most important industrial towns, MAINZ, WORMS, and OFFENBACH gone, will have only one major town left now, DARMSTADT. DARMSTADT however is one of the most completely destroyed towns of Germany. HESSEN will thus inevitably depend upon close economic coordination with the neighboring and intersecting industrial area, now forming part of the Land HESSEN-NASSAU. The difficulty facing labor administration has already been analyzed above in paragraph 4 (FRANKFURT). The labor organization for Land HESSEN faces a financial collapse in the near future unless it can become part of a wider area. For that reason the links have so far been preserved between FRANKFURT and DARMSTADT.

b. The new regional sub-divisions of the land composed of the former provinces of KURHESSEN and NASSAU would create three Regierungsbezirk of very unequal size and importance. KURHESSEN will remain as before, a fairly large Regierungsbezirk. But WIESBADEN, as described above under paragraph 3, will be an extremely small and unimportant Regierungsbezirk, with few towns of any significance, after the cession of FRANKFURT, and GELNHAUSEN. On the other hand, the new Regierungsbezirk FRANKFURT will be a compact and densely populated area, consisting of a number of important towns and a relatively small hinterland. The maintenance or creation of the administrative machinery of three Regierungsbezirk, instead of the former two, is in itself a matter which calls for consideration; for it could only be justified on the principle that German administration should in the future be as complex and uneconomical as possible. At the same time it would hardly be conceivable to maintain the complex machinery of economic controls at present developed both at WIESBADEN and at KASSEL, while at the same time creating a new government center at KARLSTADT. The pattern of the economic control machinery built up on similar lines at WIESBADEN and KASSEL might well be preserved; but it would be essential to concentrate the economic control functions for Land HESSEN-NASSAU at the new government center. The combined effect of all these contemplated changes will certainly be a vast administrative upheaval, and it could be justified only for overwhelming reasons of policy. As far as labor control is concerned neither

KASSEL nor WIESBADEN nor DARMSTADT have so far built up more than sections of government departments, all of which do and could easily continue to work under the direction of the Regional Labor Office at FRANKFURT, provided the chain of responsibility can be adjusted accordingly.

c. A third factor which at present greatly contributes to the administrative confusion, is one which can be more easily remedied as regional control authorities are reconstituted and begin to function more effectively. At present a number of towns in this region still accept no directions from the proper regional authority but, it would mean indirect responsibility to the regional instead of the local Military Government Detachment. This obviously greatly impairs the effectiveness and authority of the regional authorities concerned. In the initial stages of Military Government, with the complete absence of communications and coordination, direct responsibility of all functionary to the immediate local authorities such as a Landrat or Oberbürgermeister was inevitable but as Regional Labor, Economic, Price and Food Offices are reconstituted they cannot operate effectively as long as their power of direction, as a power of appointment of senior officials, etc., does not extend to the major local authorities within their district. A clear directive on this matter is therefore essential. In some of the areas visited before, e.g. in WURZBURG, the Landesernährungsamt has long assumed responsibility over all local Landrat. Indeed it is not possible to operate the whole scheme of Labor Office Organization without it. But in HESSEN, in this as in every other respect, the situation is very confused.

2. RECOMMENDATIONS

It is submitted that a satisfactory solution of the administrative difficulties and confusions analyzed before is not possible except by a revision of the decision to establish Land HESSEN as a separate state. Only in this way could the necessary coordination of the German Regional Agencies be accomplished in a manner consonant with the hierarchy of Military Government Detachments. Under the solution which is proposed here an E Detachment will control the whole Hessen area insofar as it is under U.S. Control. Under it three regional teams will be established at the three main administrative centers of the region, KASSEL, WIESBADEN, FRANKFURT and DARMSTADT. On the German side, an administration for the whole area, composed of Hessen and HESSEN-NASSAU, will be responsible to the E Detachment and it will be the highest German agency for all general and economic controls affecting the area. The administration of this wider Land HESSEN will include departments for economics, food and agriculture, and labor. Under this Land administration the existing regional administrations at KASSEL, WIESBADEN or FRANKFURT, and DARMSTADT will be substantially preserved as Regierungsbzirke but with a smaller apparatus and a clear chain of command. Labor control will be exercised by the Landesarbeitsamt at FRANKFURT with branch offices at KASSEL and DARMSTADT. The Landesarbeitsamt will be responsible to the department for labor of the Land Administration.

Economic control will be exercised by the Landeswirtschaftsamt at FRANKFURT or WIESBADEN, with a branch office at DARMSTADT, for the area of NASSAU and Land HESSEN. These two Landeswirtschaftsamter will be responsible to the department for economics of the Land Administration.

Food and Agriculture will be controlled by the Landesernährungsamt at KASSEL for KURHESSEN and the Landesernährungsamt at FRANKFURT, with a branch office at DARMSTADT, for NASSAU and Land HESSEN. These two Landesernährungsamter will be responsible to the department for Food and Agriculture of the Land Administration.