

CONTROL COUNCILLaw No. 39Distinguishing Flag to be Worn by German and Ex-German  
Ships Operating Under Allied Control Authority

THE CONTROL COUNCIL ENACTS AS FOLLOWS:

ARTICLE I

1. In all cases, except as provided in Article III, every German or ex-German vessel operating under the Allied Control Authority shall at all times wear the Allied Control Authority distinguishing flag which shall consist of International Flag "C" with a triangle cut from the fly, as shown in the schedule hereto. (Appendix "A")

2. This flag shall be worn at the masthead, or in cases of vessels that have no masthead, at the place prescribed by usage or custom; it shall be worn continuously day and night and shall be treated as a distinguishing flag.

3. No ceremonial shall be accorded this flag which shall not be dipped in salute to warships or merchant ships of any nationality.

4. No other distinguishing flag shall be worn by any vessel covered by paragraph 1 of this Article.

ARTICLE II

The provisions of this law shall not apply to requisitioned craft which are operated by or under the direct control of one of the Occupying Powers.

ARTICLE III

Craft operating on inland waterways may, as an alternative to wearing the Allied Control Authority flag as prescribed in paragraph 2 of Article I, have the colors of this flag painted on both sides of the craft as a distinguishing mark. Zone Commanders may, however, provide that inland waterway vessels operating exclusively within their respective Zones shall not be required to wear or display any distinguishing flag or mark.

ARTICLE IV

1. The Master or any other person actually in command of any German or ex-German vessel operating under the Allied Control Authority who violates any of the provisions of Article I of this law, shall, without prejudice to any criminal liability which he may have incurred under the provisions of any other law or laws, be liable to prosecution before a Military Government or German Court and be punishable with a fine of not less than RM 300.- and not more than RM 10,000.-.

2. In grave cases, the Court may impose imprisonment (Gefängnis) for a term not exceeding five years, with or without the fine provided by paragraph 1 of this Article.

ARTICLE V

This law shall come into force two months after the date of publication.

DONE AT BERLIN THE 12th DAY OF NOVEMBER 1946.

V. Sokolovsky

V. SOKOLOVSKY

Marshal of the Soviet Union

Joseph T. McFarney

JOSEPH T. MCFARNEY

General

Sholto Douglas

SHOLTO DOUGLAS

Marshal of the Royal Air Force

R. J. Noiret

R. J. NOIRET

General de Division

"The date of publication is 17 November 1946 at 1800 hours".

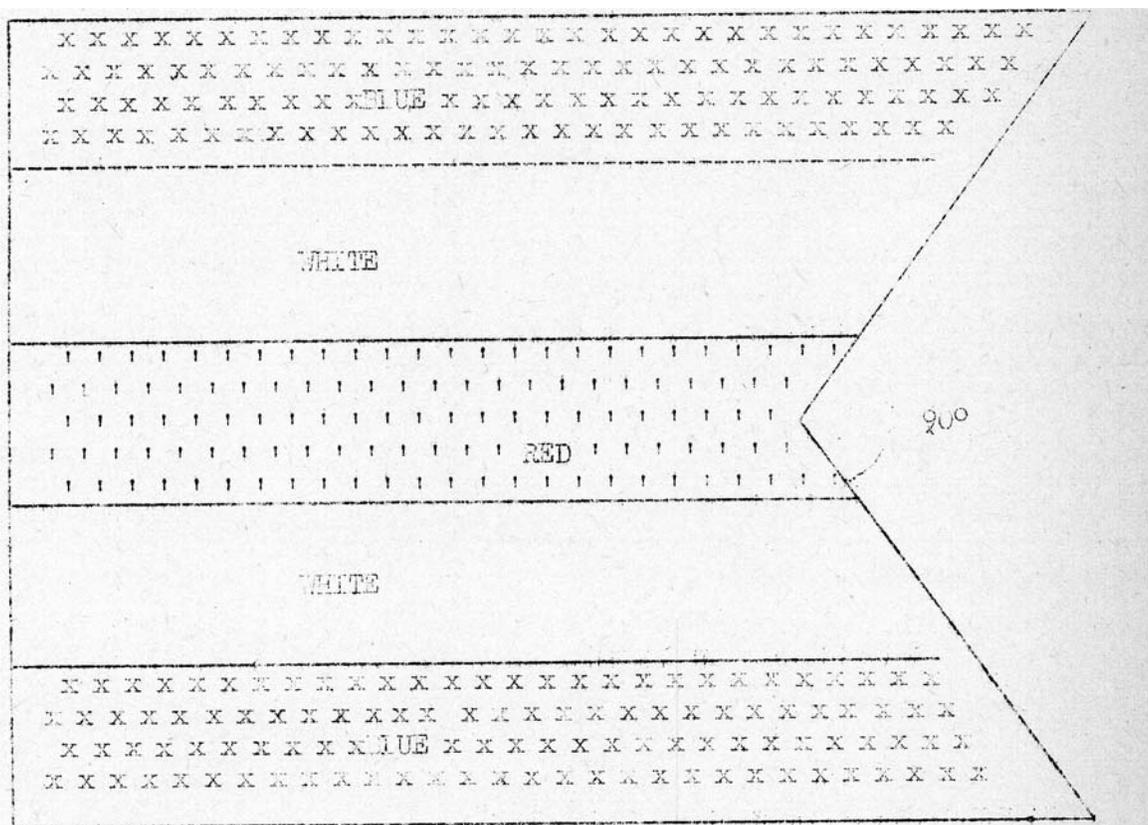
3011/P(46)74(Final)

Appendix "A"

ALLIED CONTROL AUTHORITY

CONTROL COUNCIL

Allied Control Authority Distinguishing Flag  
to be Worn by German and Ex-German Vessels



CONTROL COUNCILAMENDMENT TO LAW NO. 25Control, of Scientific Research

## THE CONTROL COUNCIL ENACTS AS FOLLOWS:

In schedule "C" appended to Law No. 25; under "Rocket Fuels" replace 50% by 37%.

In schedule "D" appended to Law No. 25: under "Hydrogen peroxide" replace 50% by 37%.

The above amendments shall come into force on the date of publication.

Done at Berlin on 12 November 1946.

V. Sokolovsky  
V, SOKOLOVSKY  
Marshal of the Soviet Union

Joseph T. McNarney  
JOSEPH T. MACNARNEY  
General

Sholto Douglas  
Marshal of the Royal Air Force

R. J. Noiret  
R. J. NOIRET  
General de Division

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"The date of publication is 20 November 1946 at 1800 hours."

CONL/P(46)75 Final

CONTROL COUNCILAMENDMENT TO DIRECTIVE NO. 24Removal from Office and from Positions of Responsibility of  
Nazis and of Persons Hostile to Allied Purposes

THE CONTROL COUNCIL DIRECTS AS FOLLOWS:

The following texts shall be substituted for subparagraphs II(b) and 5 in paragraph 10 of the Directive:

Paragraph 10, subparagraph II(b): "All members of the National Socialist Party, who joined or were accepted into the Party prior to 1 May 1937, or such earlier date in 1937 as the Zone Commanders or in Berlin the Allied Kommandatura may decide, or who were more than nominal members of the National Socialist Party."

Paragraph 10, sub-paragraph 5: "Officers of the S.A. Fuehrerkorps and 'N.C.O.'s' (SA Unterfuehrer) down to and including Scharfuehrer, at any time, and all, members who joined the SA prior to 1 April 1933."

Done at Berlin on 16 November 1946

P. A. Kurochkin

P. A. KUROCHKIN

Colonel General

for F. A. Keating, Major General  
LUCIUS D. CLAY  
Lieutenant General

for G. W. E. J. Erskine, Major General  
B. H. ROBERTSON  
Lieutenant General

for C. Bapst, General de Brigade  
R. J. NOIRET  
General de Division

CORC/P(46)360 Final

COORDINATING COMMITTEEIntroduction of International Transit Telecommunication Circuits  
through Germany

(Note by the Allied Secretariat)

1. At its Forty-Sixth Meeting on 25 October 1946 the Directorate of Internal Affairs and Communications considered a paper on the opening of international, transit circuits through Germany.

2. In the course of the discussion the U.S. Delegation, while wholly approving the principle of an immediate introduction of transit circuits through Germany, pointed out that there existed a number of difficulties connected with the rates to be applied as well as with the organization of services for settling international accounts. The U.S. delegation recommends the following measures as a help in the fixing of rates:

(a) Application of rates in effect on 1 September 1939, except in Czechoslovakia and Austria, where the rates in effect on 1 March 1938 would be retained. The foreign administrations will retain their accounts pending a decision establishing a German service charged with settling international accounts.

(b) In addition, the U.S. delegation recommends that the following order of priority should be maintained in the introduction of these circuits:

- (1) circuits between two Allied Occupying Powers;
- (2) circuits between one Allied Occupying Power and any other country;
- (3) circuits between countries not covered by (2) above.

3. The British Delegate, while regretting that the opinion of the Directorate of Finance had not been received, stated that he was ready to accept the U.S. proposal with an amendment specifying the provisional nature of the rates.

4. The Directorate of Internal Affairs and Communications agreed to submit the matter to the Coordinating Committee requesting it:

- (a) to authorize the immediate opening of transit circuits through Germany;

- (b) to instruct the Internal Affairs and Communications Directorate to draw up, in the light of the discussion referred to above, regulations relating to technical and financial measures to be taken.

5. This paper is submitted to the Coordinating Committee for consideration at its Eighty-Ninth Meeting on 16 November 1946.

A. A. KUDRIAVTSEV, Major

H. A. GERHARDT, Colonel

K. G. EXHAM, Brigadier

J. L. BAUDIER, Consul General

Allied Secretariat

Approved at Berlin 16 November 1946

CORC/P(46)369

COORDINATING COMMITTEEInclusion of Non-Transactional Commercial Correspondence in the  
International Postal Service

(Note by the Allied Secretariat)

1. The Economic Directorate requested the Internal Affairs and Communications Directorate to authorize the inclusion of German non-transactional commercial correspondence in the international postal service.

2. The Directorate of Internal Affairs and Communications, having consulted the Finance Directorate, received the following recommendation:

"The Finance Directorate agrees to the resumption of commercial correspondence of a non-transactional character, but is opposed to all correspondence by Germans relative to their external assets, even if only of a purely informative character".

3. At its Forty-Sixth Meeting on 25 October 1946 the Directorate of Internal Affairs and Communications approved the inclusion of German non-transactional commercial correspondence in the international postal service.

The Directorate of Internal Affairs and Communications requests the Coordinating Committee to approve the above decision and to authorize it to amend the existing regulations accordingly.

4. This paper is submitted to the Coordinating Committee for consideration at its Eighty-Ninth Meeting on 16 November 1946.

A. A. KUDRIAVTSEV, Major

H. A. GERHARDT, Colonel

K. G. EXHAM, Brigadier

J. L. BAUDIER, Consul General

Allied Secretariat

Approved at Berlin 22 November 1946

CORC/P(46)368

COORDINATING COMMITTEEProgress Report on the Valuations of Plants

(Note by the Allied Secretariat)

1. At its Eighty-Fifth Meeting (CORC/M(46)56 Conclusion 606) the Coordinating Committee requested the Reparations, Deliveries and Restitution Directorate to submit to the Coordinating Committee by 10 November a progress report on the above matter with an indication of the work completion date. \*)

2. At its Forty-Ninth Meeting on 6 November 1946 the Reparations, Deliveries and Restitution Directorate prepared a report on valuation results and on final data fixed for the completion of work (Appendix "A"); including statements made by the U.S., British, French and Soviet Delegates, and the reply of the British Delegate. (Appendix "B"),

3. This paper is submitted to the Coordinating Committee for consideration at its Eighty-Ninth Meeting on 22 November 1946.\*\*)

A. A. KUDRIAVTSEV, MajorH. A. GERHARDT, ColonelK. G. EXHAM, BrigadierJ. L. BAUDIER, Consul General

Allied Secretariat

CORC/P(46)372

\*) see page 80  
\*\*) see page 162

23 November 1946CORC/M(46)61COORDINATING COMMITTEEMINUTES

(Meeting of 22 November 1946)

676. PROGRESS REPORT ON THE VALUATION OF PLANTS

The Meeting considered CORC/P(46)372.

THE MEETING:

- (676) Agreed (a) to urge all Zone Commanders to take the necessary measures to accelerate valuation of plants declared available for reparations, because the existing rate of valuation should be expedited;
- (b) to instruct the Directorate of Reparations, Deliveries and Restitution to submit a report on the progress of valuation by 1 January 1947;
- (c) to instruct the Economic Directorate to complete by 1 January 1947 lists of all plants declared available for reparations.

DIRECTORATE, REPARATIONS, DELIVERIES & RESTITUTIONREPORT ON PROGRESS OF VALUATIONS, MEASURES FOR ACCELERATING  
VALUATIONS AND COMPLETION DATES

	<u>Number of Plants in the Zones</u>			
	<u>U.S.</u>	<u>U.K.</u>	<u>France</u>	<u>Total</u>
1. Number of Plants for valuation Lists 1, 2, and 3.	137	436	55	628
2. Number of Plants approved by Committee (CPV) up to 1st November 1946	119	119	15	253
3. Number of Plants which have been valued but not yet submitted to Committee (CPV)	16	10	8	34
4. Number of Plants which are awaiting approval by Quadripartite Teams	-	39	19	58
5. Number of Plants which remain to be valued	2	268	13	283
6. Number of Plants approved by Directorate up to 6 November 1946 inclusive	119	105	15	239
7. Date of termination of the valuation of plants in the 1st, 2nd, and 3rd lists.	30 Nov. /		15 Jan. //	

/ The British Delegate does not feel it possible to give a definite termination date. The British Delegate hopes to finish the valuation of 45 plants by the end of Nov. and thereafter to complete 60 valuations per month.

// Additional plants in the French Zone will be ready for quadripartite checking, provided that the list is approved by the Coordinating Committee by 15 November 1946.

COORDINATING COMMITTEEMeasures for the Speeding up of Valuation Work1. Statement by the U.S. Delegate

Frogress on plant valuation in the U. S. Zone has progressed in a satisfactory manner. Work can be accelerated by limiting quadripartite participation.

2. Statement by the British Delegate

The British delegate stated that valuation work in the British Zone had already been considerably reorgnnized and accelerated, This organization appeared to be the best likely to be achieved. However, three ways of speeding up the work had been considered:

- (a) A simplification of the rules for valuation, which are fairly complicated, This would reduce the time taken by the German staff to produce the initial v luation.
- (b) A reduction of the time spent on quadripartite valuations, (Under the present system quadripartite valuations can take anything from 7 days to 7 months), This could be achieved by an extension of the "spot check" system, which is being tried out on an experimental basis as from 7 November.
- (c) Increase of British staff. There was a limit to this as the cost fell on the British taxpayer, Nevertheless steps were being taken to obtain additional British staff, but there were difficulties.

3. Statement by the French Delegate

Valuation work in the French Zone was commenced late. For several weeks, however, an appreciable number of French experts have be appointed in charge of German teams, and the French Delegation considers that it should be possible to submit valuations of all plants declared available for reparations for quadripartite confirmation within two months from the time when all declarations of availability have been notified to the Directorate.

The French Delegation has, at present, about fifteen experts available for quadripartite valuations for the British and American Zones. This figure will shortly be doubled. It considers that, with this number of experts, if the number and duration of quadripartite valuations are limited and resident teams of experts maintained in the Zones concerned, the work of checking could be

accomplished in a few days and would in no way delay the work of valuations as a whole, for which the time limit in turn is dependent on the time required by the Zone Commanders for the preparation of inventories and valuations.

#### 4. Statement by Soviet Delegate

The Soviet Delegation considers it necessary to draw the attention of the Coordinating Committee to the circumstance that the question of the acceleration of valuations has been under continuous discussion for the last four months, and that this question has been constantly on the Agenda of the RDR Directorate for the period mentioned above.

During this time, many statements of a general character have been made which confirmed the necessity to speed up valuations; a number of decisions which make the RDR Directorate responsible for the acceleration of valuations have been taken, but, up to now, there have been no tangible practical results.

Valuation work is at present the bottleneck on the Reparations Program of the Western Zones of Occupation as it has been laid down in the decisions of the Potsdam Conference.

In the British Zone of Occupation, this work has practically broken down for reasons which could be explained and eliminated by the British Zone Commander only.

The Soviet Delegation considers it necessary to draw the attention of the Coordinating Committee to the circumstance that the decisions of the Coordinating Committee, which were directed towards the speeding-up of valuations have been systematically left without implementation.

By its decisions of 4.9.46 the Coordinating Committee requested the Zone Commanders to ensure the establishment of priority for the valuation of shipyards. This decision of the Coordinating Committee was not fulfilled.

It must be noted that almost all shipyards made available for reparations are in the British Zone of Occupation.

By its decision of 27.7.46 the Coordinating Committee proposed to start immediately the valuation of non-ferrous metal plants. This decision of the Coordinating Committee has not been carried out.

By its decision of 18.10.46 the Coordinating Committee placed

the obligation on the RDR Directorate to start immediately the valuation of 800 machine-building and optical plants. This decision of the Coordinating Committee was not carried out either,

Finally, by its decision of 25.10.46, the Coordinating Committee proposed that the RDR Directorate should take all practical measures required for the acceleration of valuation work and state final dates of completion of valuation work. This decision of the Coordinating Committee was not carried out either.

The results of the discussion of this latter decision of the Coordinating Committee prove that the RDR Directorate is incapable of proceeding from words to deeds, and of ensuring an actual acceleration of the rate at which valuations are carried out. In particular, the British side, which is fundamentally responsible for the delay in valuation work, has not put forward a single concrete proposal directed towards the speeding-up of valuations.

It is essential that the Coordinating Committee should set dates for the completion of valuation work in the different Western Zones of Occupation, and should direct the Zone Commanders to submit for its approval such valuation programs as would ensure, within the framework of the approved quadripartite procedure, the completion of this work by the dates indicated.

#### 5. Reply by British Delegate to Statement of Soviet Delegate

The Soviet paper misrepresents the position and is not a correct statement of the facts. The Soviet representative on the RDR Directorate should be fully aware of the increased output of valuations in the British Zone as shown by the number approved in October by the RDR Directorate.

COORDINATING COMMITTEEPhotographing of Certain Items of Plants in Order to  
Obviate the Necessity of Producing Re-erection  
Drawings

(Note by the Allied Secretariat)

1. At its 49th meeting on 6 November 1946 the Directorate of Reparations, Deliveries and Restitution agreed to inform the Coordinating Committee that, under the provisions of CORC/P(46)24, paragraph 6, nations receiving reparations are entitled to demand with the plant all drawings necessary for re-erecting the plant. When such drawings are not available it is for the Zone Commander to have them prepared,

2. Experience in the British Zone has shown that in many cases the original drawings cannot be produced or are in such a condition as to need re-drawing. The preparation of fresh ones will not only present considerable difficulties in view of the shortage of German draughtsmen and the lack of material but will involve delay in dismantling and packing while they are being prepared.

3. The Directorate of Reparations, Deliveries and Restitution agreed that, in cases where drawings are not available, photographs of complete assemblies, sub-assemblies, etc. should be taken during the course of dismantling so as to enable recipient countries to re-assemble the plant after removal, and that these photographs shall be delivered in lieu of drawings, whenever the recipient nation agrees to this,

4. This paper is submitted to the Coordinating Committee for information at its NINETIETH Meeting on 22 November 1946.

A. A. KUDRIAVTSEV, Major

H. A. GERHARDT, Colonel

K. G. EXHAM, Brigadier

J. L. BAUDIER, Consul General

Approved at Berlin 22 November 1946

Allied Secretariat

CORC/P(46)373

COORDINATING COMMITTEELetter to the Coordinating Committee on the Inclusion  
of Penalty Clauses in Control Council Directives

The Legal Directorate drafted the recent Directive No. 45 in the form of a directive, since the paper approved by the Coordinating Committee, CORC/P(46)350, was described as a "Draft Directive". The Legal Directorate points out that it would have been advisable to add a proper penalty clause, so as to make the breach of the provisions of this paper subject to criminal prosecution. The Legal Directorate did not do so because, in accordance with the practice developed under Directive No. 10, on Control Council methods of legislative action, penalty clauses are included only in laws and orders but not in directives. It is noted that Directive No. 40, "Policy to be Followed by German Politicians and the German Press", which was not referred to the Legal Directorate, does contain a penalty clause, though in unsatisfactory form. However, the Legal Directorate wishes to draw the attention of the Coordinating Committee to the fact that Directive No. 40 is an exception in this respect to other directives and cannot be considered as a precedent.

Further, the Legal Directorate wishes to point out that Control Council Directive No. 33, "Limitation of Characteristics of Ships Left at the Disposal of Germany", and No. 37, "Limitation of Characteristics of Ships Other Than Fishing and Pleasure Craft Left to the Peace Economy of Germany", following the usual practice of other directives, contain no penalty clauses although the breach of their provisions would call for such clauses. These directives were not referred to the Legal Directorate.

If the Legal Directorate is correct in its supposition that a penalty clause should only be included in a law or order, it would appear that these directives should have been issued as laws or orders. As they now stand, these directives require implementing action by each Zone Commander.

Approved at Berlin 26 November 1946

Appendix "A" to  
CORC/P(46)376

CONTROL COUNCILLAW NO. 40

Repeal of the Law of 20 January 1934 on  
"The Organization of National Labor"

THE CONTROL COUNCIL ENACTS AS FOLLOWS:

ARTICLE I

The Law of 20 January 1934 on "The Organization of National Labor" (Gesetz zur Ordnung der Nationalen Arbeit, RGBl. I p.45) together with all other enactments and carrying-out ordinances concerning the application of this law and all other amendments and additions to *this* law is hereby repealed.

## ARTICLE: II

This law shall come into effect January 1, 1947.

Done at Berlin 30 November 1946.

V. Sokolovsky  
Marshal of the Soviet Union

Joseph T. McNarney  
General

Sholto Douglas  
Marshal of the Royal Air Force

P. Koenig  
General de Corps d'Armee

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"The date of publication is 5 December 1946 at 1800 hours".

CONL/P(46)78 Final

CONTROL COUNCILLAW NO. 41Amending Law No. 26 (Tax on Tobacco)

THE CONTROL COUNCIL ENACTS AS FOLLOWS:

ARTICLE I

Articles II and IV of Law No, 26 of the Control Council are repealed and replaced by the following provisions:

Article II:

The rates of taxation on the following articles are fixed as follows:

1. Cigarettes
  - a. 75% of the retail price, when that does not exceed 20 pfennigs each.
  - b. 80% of the retail price, when that exceeds 20 pfennigs each.
2. Cigars
  - a, 70% of the retail price, when that does not exceed 65 pfennigs each.
  - b. 80% of the retail price, when that exceeds 65 pfennigs each.
3. Pipe Tobacco'
  - a Rough cut, 70% of tha retail price.
  - b. Fine cut, 75% of the retail price.
4. Leaf Tobacco: Used in the manufacture of cigarettes - 550 RM per 100 kgs.
5. Cigarette Paper: 10 RM par 1000 loaves.
6. Tobacco Substitute:: 200 RM per 100 kgs.
7. Snuff and Chewing Tobacco: 60% of the retail price.

8. Tobacco growers **owning** a cultivated area of not more than 50 sq. meters, and not paying a tax based on the weight of tobacco grown, and having more than fifteen bushes planted shall pay taxes in accordance with the following scale:

from 16 to 50 bushes	12 RM per annum
from 51 to 100 bushes	24 RM per annum
from 101 to 150 bushes	36 RM per annum
from 151 to 200 bushes	48 RM per annum

Article IV:

1. In the event of a deficiency of tobacco due to unsatisfactory causes, Compensation Duty ("Tabaksausgleich") shall be levied, mounting to 2,500 RM for every 100 kgs of home-grown tobacco and 5,000 RM for every 100 kgs of imported tobacco,

2. In conformity with the provisions of paragraph 1 of this Article, Article 63 of the Tobacco Tax Law of 4 April 1939 is amended as follows:

In Subsection 1, amend 825 RM to 5,000 RM, and  
275 RM to 2,500 RM.

ARTICLE II

These amendments to Control Council Law No. 26 shall come into force on the date of the publication of the present law,

Done at Berlin the 30th day of November 1946

V. SOKOLOVSKY, Marshal of the Soviet Union

JOSEPH T. McNARNEY, General

SHOLTO DOUGLAS, Marshal of the Royal  
Air Force

P. KOENIG, General de Corps d'Armee

"The date of publication is 5 December 1946 at 1800 hours"

CONL/P(46)79 Final

30 November 1946

CONTROL COUNCILLAW NO. 42Amendment to Control Council Law No. 12, "Amendment of Income Tax, Corporation Tax and Excess Profits Tax Law"

THE CONTROL COUNCIL ENACTS AS FOLLOWS:

ARTICLE I

Paragraph 1 of Article IV of Control Council Law No. 12, "Amendment of Income Tax, Corporation Tax and Excess Profits Tax Law" is hereby repealed and the following text is substituted therefor:

"1. The rates of corporation tax of the Corporation Tax Law (Koerperschaftsteuergesetz) Section 19(1) shall be as follow9:

- a. On incomes up to 50,000 Marks . . . . . 35%
- b. On income from 50,000 to 100,000 Marks . . . 45%
- c. On incomes from 100,000 to 500,000 Marks . , 60%
- d. On incomes above 500,000 Marks . , . . . . . 65%

The above-mentioned rates shall be reduced by 50% in the cases of corporations enumerated in Section 19(2), paragraphs 1 and 2 of the Corporation Tax Law."

ARTICLE II

The reduced rates of corporation tax mentioned in Article I above shall apply, if they have not already been applied, as from 1 January 1947.

Done at Berlin 30 November 1946

V. Sokolovsky, Marshal of the Soviet Union

Joseph T. Mc Narney, General

Sholto Douglas, Marshal of the Royal Air Force

P. Kocnig, General de Corps d'Armee

"The date of publication is 5 December 1946 at 1800 hours".

CONFIDENTIAL/1680 Final

COORDINATING COMMITTEETransfer of Populations to Germany

1. Before a final report can be submitted for the approval of the Coordinating Committee, a great amount of information and statistical data will have to be obtained from the Political Directorate, the Internal Affairs and Communications Directorate, the manpower Directorate and the Economic Directorate. Requests for such information have already been forwarded to these Directorates.

2. In the meantime, the Directorate submits to the Coordinating Committee the following recommendations:

(a) That the Prisoners of War and Displaced Persons Directorate shall continue to meet its obligations in accordance with CONL/P(45)57 for the transfer of populations from Czechoslovakia, Austria, Hungary and Poland.

(a) All Germans formerly residing in one of the four Zones of Occupation of Germany who fled Germany because of the war, all released prisoners of war who are former members of the Wehrmacht, German civilian internees and obnoxious Germans will be accepted in Germany at such time and at such rates as will be decided by the Zone Commander of the particular zone to which those persons must return.

(c) as for non-German persons the Directorate considers that entry into Germany must be prohibited to all non-German persons except personnel of the Occupation Forces, or of regularly accredited missions or such persons as are admitted by agreement of the respective Zone Commanders. \*)

2(a) and 2(b) approved at Berlin, 3 December 1946 CONC/P(46)382

\*) The meeting returned paragraph 2 (c) of CONC/P(46)382 to the PW & DP Directorate for clarification of the term "non-German" in consultation with the Legal Directorate.

COORDINATING COMMITTEE

Interim Offices for German Affairs Abroad and their  
Finance

(Note by the Allied Secretariat)

1. The Coordinating Committee at its THIRTY-NINTH Meeting on 16 February 1946 confirmed CORC/P(46)65 on Interim Offices for German Affairs Abroad and instructed the Political Directorate to work out the details for implementing the principles laid down in the paper.

2. The Political Directorate approved a draft paper on the establishment of such offices and forwarded it to the Finance Directorate for approval of Article IV relating to the financial aspect of the question.

3. The Finance Directorate approved the paper, including Article IV, but presented certain recommendations for the consideration of the Political Directorate. The Finance Directorate suggested that, instead of a tax being collected from all Germans permanently residing abroad to cover the current expenses of Interim Offices, these expenses should be covered by means of voluntary contributions from these Germans. It also suggested that Interim Offices abroad should cover their expenses by means of fees and contributions, since the Directorate considered it unlikely that there would be other resources available for this purpose.

4. The Political Directorate considered the points raised by the Finance Directorate and agreed that the paper under consideration covered them sufficiently as the Finance Directorate was not aware that the tax proposed was actually only a consular fee to be collected by the Interim Offices from all German subjects.

The Political Directorate requests the Coordinating Committee to approve the attached paper (Appendix "A") and to return it to the Directorate for implementation.

5. This paper, together with Appendix "A", is submitted to the Coordinating Committee for consideration at its NINETY-SECOND Meeting on 3 December 1946,

A. A. KUDRIAVTSEV, Major  
H. A. GERHARDT, Colonel  
K. G. EKHAM, Brigadier  
J. L. BAUDIER, Consul General  
Allied Secretariat

Approved at Berlin 3 December 1946

CORC/P(46)384

28 November 1946

APPENDIX "A" to  
CORC/P(46)384

COORDINATING COMMITTEE

Interim Offices for German Affairs Abroad and their  
Financing

1. The activities of Germans living abroad were formerly controlled and supervised by the German diplomatic and consular missions in foreign countries. With the collapse of Germany this system came to an end and at present there is no properly co-ordinated system of control over Germans living abroad. In order to fill this gap the Allied Control Council considers that Interim Offices for German Affairs, or other effective means of controlling the activities of Germans abroad, should be established in neutral, United Nations and certain ex-enemy countries. These Offices would be organized on the following lines.

2. Interim offices set up in neutral countries will be directed by the local diplomatic representatives of the Control Powers, who will employ such local and subordinate German staff as they may consider necessary. United Nations Governments who agree to the creation of Interim Offices will be responsible for organizing them, with the assistance of the local diplomatic representatives of the Control Powers, while the Others should make appropriate arrangements in agreement with the local diplomatic representatives of the Control Powers, to ensure that adequate supervision is exercised over the activities of Germans in their territories. The Four Control Powers will continue to take the necessary steps to control Germans in their territories,

3. The functions of these Interim Offices will include:
- (a) registration, issue of certificates of identity and control of Germans and their property;
  - (b) registration and recording of births, marriages and deaths;
  - (c) recording and filing of wills, and other notarial services;
  - (d) receipt of passports or documents;

- (e) arrangements for repatriation to Germany, including provision of the necessary travel documents, when specifically authorized by the Allied Control Authority.

The above list may subsequently be expanded to include other functions should experience show this to be necessary.

4. The procedure followed in these offices will be basic German consular practice except where it may be decided by the Allied Control Authority that this should be simplified or altered,

5. A Coordinating bureau in Berlin, acting under the orders of the Allied Control Authority, will, be required to coordinate the work of the offices abroad and to reply to requests for instructions and also to carry out any similar work assigned to it by any other agency charged with German affairs in the countries of the four Control Powers. The work of this bureau will be supervised by a committee composed of a diplomatic or consular officer from each of the four Control Powers which will meet at regular intervals. The Secretary of this Committee will be an official of one of the Control Powers (with assistants, if necessary,) who will also act as Executive Officer of the bureau. He will be assisted by such Allied staff as may be found necessary and will control the minimum number of reliable German ex-officials and clerical staff required to carry out the work of the coordinating bureau.

6. The costs of operating the coordinating bureau in Berlin will be defrayed by the four Control Powers from German sources, and of operating the Interim Offices abroad until other sources are available by the Government of the country concerned, either out of fees collected from the Germans for whom these various services are performed or possibly by a Consular tax on all, German residents in that country.

COORDINATING COMMITTEECable Ships

(Note by the Allied Secretariat)

The Internal Affairs and Communications Directorate, at its FORTY-EIGHTH Meeting on 15 November 1946, considered the above subject, and agreed to transfer the Cable Ship "Jopp" from the British Zone of Occupation to the Soviet Zone and to submit this matter to the Coordinating Committee for approval.

This paper is submitted to the Coordinating Committee for consideration at its NINETY-SECOND Meeting on 3 December 1946.

A. A. KUDRIAVTSEV, Major

H. A. GERHARDT, Colonel

K. G. EXHAM, Brigadier

J. L. BAUDIER, Consul General

Allied Secretariat

CORC/P(46)385

Approved at Berlin 3 December 1946

COORDINATING COMMITTEEManufacture of Replacement Material for Radio  
Transmitting Equipment

(Note by the Allied Secretariat)

1. At its SEVENTY-FIRST Meeting the Economic Directorate agreed to recommend to the Coordinating Committee that Table I, A 9 of the Plan for Reparations and The Level of The Postwar German Economy be interpreted as follows:

Repair and minimum manufacture of parts and equipment required for the operation of radio transmitting installations (studio cable and line equipment, radio transmitters, wire transmittal junctions, etc.) operated by an element of the occupational authorities or for the operation of authorized German transmitting installations will be permitted until 31 December 1948, under strict control and under the requirement that quarterly reports to the Allied Control Authority of such manufacture be submitted by each Zone Commander.

2. This paper is submitted to the Coordinating Committee for consideration at its NINETY-SECOND meeting on 3 December 1946.

A. A. KUDRIAVTSEV, Major

H. A. GERHARDT, Colonel

K. G. EXHAM, Brigadier

J. L. BAUDIER, Consul General

Allied Secretariat

CORC/P(46)389

Approved at Berlin 3 December 1946

10 December 1946

179

CONL/M(46)34

CONTROL COUNCIL

MINUTES

(Meeting of 10 December 1946)

159. PRESENTATION TO THE CONTROL COUNCIL OF THE CHIEF OF THE SOUTH AFRICAN MILITARY MISSION AND OF THE NEW CHIEF OF THE NORWEGIAN MILITARY MISSION.

Major General E. F. Armstrong, Chief of the newly established South African Military Mission, and Major General A. Tobiesen, replacing Major General Steffens as Chief of the Norwegian Military Mission, were presented to the Control Council by Colonel Jennings-Bramly, Chief of the Allied Liaison and Protocol Section.

14 December 1946CORC/M(46)65COORDINATING COMMITTEEMINUTES

(Meeting of 13 December 1946)

725. MEMORANDUM ON ECONOMIC UNIFICATION OF THE BRITISH AND U.S. ZONES

General CLAY stated that some time ago the British and U.S. Delegations had promised to inform the Coordinating Committee of any bilateral agreements on the economic fusion of their zones. The Allied Secretariat had therefore been instructed to distribute copies of the recent memorandum of agreement between the United Kingdom and the United States providing full economic integration of their zones of occupation (attached at Appendix 'A').\*) He was sure that his British colleague joined him in the hope that such an agreement would soon be entered into by the other zones.

General BROWNJOHN stated that the British Delegation wholeheartedly concurred.

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\*) see pages 181-185

TEXT OF THE AGREEMENT REACHED BETWEEN U.S. SECRETARY  
OF STATE JAMES F. BYRNES AND ERNEST BEVIN, BRITISH  
FOREIGN SECRETARY, READS AS FOLLOWS:

MEMORANDUM OF AGREEMENT

Representatives of the two governments have met at Washington to discuss the questions arising out of the economic fusion of their zones of occupation in Germany. They have taken as the basis of their discussion the fact that the aim of the two governments is to achieve the economic unity of Germany as a whole, in accordance with the agreement reached at Potsdam on 2nd August, 1945. The arrangements set out hereunder, for the United States and United Kingdom zones, should be regarded as the first step towards the achievement of the economic unity of Germany as a whole in accordance with that agreement. The two governments are ready at any time to enter into discussions with either of the other occupying powers with a view to the extension of these arrangements to their zones of occupation.

On this basis, agreement has been reached on the following paragraphs:

1. Date of inception. This agreement for the economic fusion of the two zones shall take effect on 1st January, 1947.
2. Pooling of resources. The two zones shall be treated as a single area for all economic purposes. The indigenous resources of the area and all imports into the area, including food, shall be pooled in order to produce a common standard of living.
3. German administrative agencies. The United States and United Kingdom Commanders-in-Chief are responsible for setting up under their joint control the German administrative agencies necessary to the economic unification of the two zones.
4. Agency for foreign trade. Responsibility for foreign trade will rest initially with the joint export-import agency {United States - United Kingdom) or such other agency as may be established by the two Commanders-in-Chief. This responsibility shall be transferred to the German administrative agency for foreign trade under joint supervision to the maximum extent permitted by the restrictions existing in foreign countries at any given period. (All references in this agreement to the joint export-import agency shall apply to this agency or to any agency established by the two Commanders-in-Chief to succeed it.)
5. Basis of economic planning. The aim of the two governments is the achievement before end of 1949 of a self sustaining economy for the area.

6. Sharing of financial responsibility. Subject to the provision of the necessary appropriations, the governments of the United States and the United Kingdom will become responsible on an equal basis for costs of approved imports brought into account after 31st December, 1946 (including stocks on hand financed by the respective governments), insofar as these cannot be paid for from other sources, in accordance with the following provisions:

(A) For this purpose the imports of the area shall be divided into two categories: Those imports required to prevent disease and unrest (Category A), which are financed in decreasing amounts by appropriate funds; and those further imports (including raw materials), however financed, which will be required if the economic state of the area is to recover to an extent sufficient to achieve the aim laid down in paragraph 5 of this agreement (Category B).

(E) It is the intention of the two governments that the full cost of category A imports shall be defrayed as soon as possible, subject to sub-paragraph (C) below, from the proceeds of exports. Any portion of the cost of category A imports which is not met by export proceeds will be defrayed by the two governments in equal shares from appropriated funds,

(C) The proceeds of exports from the area shall be collected by the joint export-import agency and shall be used primarily for the provision of category B imports until there is a surplus of export proceeds over the cost of these imports,

(D) In order to provide funds to procure category B imports:

(I) The Government of the United Kingdom will make available to the joint export-import agency the sum of \$29,300,000 in settlement of the understanding reached in September, 1945, for the pooling of the proceeds of exports from the two zones in proportion to import expenditures, which shall be credited to United States contribution.

(II) In addition to this sum the accumulated proceeds of exports from the United States zone will be made available to the joint export-import agency for the purchase of category B imports.

(III) The government of the United Kingdom will provide category B goods at the request of the joint export-import agency to a value equal to that of the United States contribution under sub-paragraphs (I) and (II) above.

(IV) The governments of the United States and the United Kingdom will make available to the joint export-import agency in

like amounts their respective shares of the sum to be used for financing purchases of essential commodities for the German economy under the provisions, and upon ratification by the Government of Sweden, of the accord dated 18th July, 1946, between the governments of the United States, the United Kingdom and France on the one hand and of Sweden on the other,

(V) Any further sums which are agreed by the joint export-import agency to be required for the purchase of category B imports shall be provided by the two governments on an equal basis in such manner as they may agree. To the extent that either government advances sums for the purchase of raw materials for processing and re-export on special terms as regards security and repayment, the other government may advance equal sums on similar terms,

(E) The reimbursement of costs incurred by the two governments for their two zones before 1st January 1947, and for the area thereafter, shall be recovered from future German exports in the shortest practicable time consistent with the rebuilding of the German economy on healthy non-aggressive lines,

7. Relaxation of barriers to trade. With a view to facilitating the expansion of German exports, barriers in the way of trade with Germany should be removed as rapidly as world conditions permit. To the same end the establishment of an exchange value for the mark should be undertaken as soon as this is practicable; financial reform should be effected in Germany at an early date; and the exchange of full technical and business communications between Germany and other countries should be facilitated as soon as possible. Potential buyers of German goods should be provided access to both zones to the full extent that facilities permit, and normal business channels should be restored as soon as possible.

8. Procurement. The determination of import requirements shall be the responsibility of the joint export-import agency. The procurement of these requirements shall be dealt with as follows:

(I) Procurement of category A imports to the extent that they are financed from appropriated funds of either government shall be the responsibility of that government.

(II) Procurement of category B imports and of category A imports to the extent that they are not financed by appropriated funds shall be the responsibility of the joint export-import agency, with such assistance from the two governments as may be desired. Unless otherwise agreed, subject to the provisions of this paragraph, procurement shall be from the most economical source of supply. However, the sources shall be selected to the fullest extent

practicable, so as to minimize the drain on the dollar resources of the United Kingdom.

The two governments will establish a joint committee in Washington with the following responsibilities:

(A) In the case of commodities in short supply, to support the requirements of the joint export-import agency before the appropriate authorities.

(B) To determine, where necessary, sources of supply and to designate procurement agencies, having regard to the financial responsibilities and exchange resource; of the two governments. With respect to sub-paragraph (A) above, the two governments agree to assist the committee in obtaining the requirements of the joint export-import agency having regard to all other legitimate claims of available world supply. With respect to sub-paragraph (B) above, where the financial responsibility rests with one government and the designated source of supply is the territory under the authority of the other government, the latter, if so requested will accept responsibility for procuring those supplies as agent for the former.

9. Currency and Banking Arrangements. The Bipartite Finance Committee (United States-United Kingdom) shall be authorized to open accounts with approved banks of the countries in which the joint Export-Import Agency is operating, provided that agreements are negotiated with those countries for credit balances to be transferred on demand into dollars or sterling. The Bipartite Finance Committee will be authorized to accept payment of balances in either dollars or sterling, whichever, in the judgment of the Joint Export-Import Agency, may be better utilized in financing essential imports.

10. Food. The two governments will support, to the full extent that appropriated and other funds will permit, an increase in the present ration standard to 1800 calories for the normal consumer as soon as the world food supply permits. This standard is accepted as the minimum which will support a reasonable economic recovery in Germany. However, in view of the current world food supply, a ration standard of 1550 calories for the normal consumer must be accepted at present.

11. Imports for Displaced Persons. Subject to any international arrangements which may subsequently be made for the maintenance of displaced persons, the maintenance of displaced persons within both zones from the German economy shall not exceed the maintenance of German citizens from this economy. Supplementary rations and other benefits which may be provided for displaced persons in excess of those available to German citizens must be brought into Germany without cost to the German economy.

12. Duration. It is the intention of the two governments that this agreement shall govern their mutual arrangements for the economic administration of the area pending agreement for the treatment of Germany as an economic unit or until amended by mutual agreement. It shall be reviewed at yearly intervals.

(Signed) James F. Byrnes

(Signed) Ernest Bevin

COORDINATING COMMITTEEUse of All languages in Outgoing German International Mail

1. The Internal Affairs and Communications Directorate, at its 50th Meeting on 10 December 1946, resumed discussion of the above subject in light of conclusion (702, of CORC/M (46)63, which returned CORC/P(46)386, subject as above, to the Directorate for a decision as to those additional languages which it might be desirable to use with instructions to submit its recommendation by 15 December 1946.

2. Discussion revealed that all members retained their points of view as set forth in CORC/P(46)386. The British Member, however, in order to obtain an agreed report in compliance with the above instructions of the Coordinating Committee, submitted the four following proposals to which his French and U.S. colleagues agreed:

- a. Admission of all languages (which had been previously agreed to by the French, U.S. and British)
- b. Admission of languages of those countries with missions accredited to the Allied Control Authority, plus the Yiddish language.
- c. Admission of all languages in the British, U.S. and French Zones; specific languages in the Soviet Zone.
- d. Admission of languages subject to the decisions of the Zone Commanders.

3. The Soviet Member, failing receipt of instructions, was unable to give a final decision of these proposals. He desired that the Censorship Subcommittee of the Intelligence Committee should be consulted.

4. The IACB Directorate agreed to forward the views of the four members to the Coordinating Committee, informing it that the Soviet recommendations would be announced by the Soviet Member of the Coordinating Committee.

5. This paper is submitted for the consideration of the Coordinating Committee at its 95th Meeting on 19 December 1946. \*)

H. A. GERHARDT, Colonel

A. G. EKMAN, Brigadier

J. I. BAUDLER, Consul General

A. A. KUDRYAVTSEV, Major

Allied Secretariat

CORC/P(46)306

(Revise,

\*) see page 168

20 December 1946

JRC/P(46)66

COORDINATING COMMITTEEMINUTES

(Meeting of 19 December 1946)

729. USE OF ALL LANGUAGES IN OUTGOING GERMAN INTERNATIONAL MAIL

The Meeting considered JRC/P(46)386 Revise.

THE MEETING:

- (729) (a) approved the proposal set forth in paragraph 2 (a) of JRC/P(46)386 Revise;
- (b) instructed the Directorate of International Affairs and Communications to implement the provisions of the above-mentioned paragraph.

COORDINATING COMMITTEEDraft Regulations on Gift Parcel Post ServiceInto Germany1. EXTENT OF SERVICE

Gift parcels will be accepted into Germany starting 15 Jan. 1947 from all countries belonging to the Universal Postal Union with the exception of Spain and Japan. The sending of parcels out of Germany is prohibited.

2. CONDITIONS(a) Frequency

Only one gift parcel per week may be sent by or on behalf of the same sender to or for the same addressee.

(b) Contents

Contents of gift parcels are limited to such essential relief items as: non-perishable foods, clothing, underclothing, soap, shoes, pharmaceutical products, and other similar mailable items.

Writing or printed matter of any kind may be prohibited to be either attached or enclosed in the parcel, or appear on the detachable part of the dispatch note.

All violations of these regulations will bring about the confiscation of the gift parcel.

(c) Weight and Size

Gift parcels will be accepted to at least 5 kilos in weight and 180 cm in length and girth combined, or 90 cm in greatest length.

(d) Other Limitations

Only ordinary gift parcels will be accepted. No cash on delivery shipments, insurance, registration, special delivery (express), urgent parcels, duty prepaid parcels

(e) Censorship and Customs

All gift parcels are liable to censorship and customs examination in the zone of their destination. Each gift parcel must be accompanied by a customs declaration with the contents, weight and value itemized thereon.

(f) Addressing

Parcels should bear the following information whenever possible:

- (1) Name of Addressee
- (2) City of Locality
- (3) Street and Number
- \*(4) Province
- (5) Number of Postal District
- \*(6) Zone of Occupation
- (7) Germany

Gift parcels must have the words "Gift Parcel" included in the addressing. In order to avoid delays in the delivery of gift parcels, it is recommended that foreign postal authorities inform senders of the necessity to include in the addressing the number of the postal district and the zone of occupation. Parcels addressed "Poste Restante" will not be accepted.

Parcels addressed to private boxes must show the name of the box holder.

(g) Undelivered Gift Parcels

3.

Dispatches of gift parcels should be made up as follows:

\* Except in the case of Berlin

- U.S. Zone - To Frankfurt a.M. (Gift Parcels for:  
Postleitgebiet 16)  
To Munich (Gift Parcels for:  
Postleitgebiete 13 a  
and 13 b)  
To Stuttgart (Gift Parcels for:  
Postleitgebiete 14 a  
and 17 a)
- British Zone - To Hamburg. (Gift Parcels for:  
Postleitgebiete 24 a  
and b)  
To Bremen (Gift Parcels for:  
Postleitgebiet 23)  
To Cologne (Gift Parcels for:  
Postleitgebiete 21 b,  
22 a and c)  
To Hannover (Gift Parcels for:  
Postleitgebiete 20,  
20 b and 21 a)
- French Zone - To Saarbrücken or Offenburg, whichever is  
most convenient to sending country.  
(Gift Parcels for:  
Postleitgebiete 17 b,  
18 and 22 b)
- Soviet Zone - To Berlin Postamt 3 (Gift Parcels for:  
Postleitgebiete 1, 2,  
3, 10 a, 10 b, 15, 19 a  
and b and Berlin)

Note - When the number of gift parcels destined to the British and American Zones is considered insufficient to justify dispatches to the different exchange offices, all the gift parcels may be routed to the most convenient exchange office of the Zone concerned, according to the geographic location of the exchange office.

(b) Bulk Advice

Parcels may be recorded on the relative advice form under the bulk advice system.

#### 4. CLAIMS

Any claims made against Germany, in respect to loss or damage due to the Deutsche Post will be handled by the zonal Postal administrations. They should follow their normal course up to the stage at which compensation is due, and if financial arrangements at that time do not allow compensation, actual payment must be held in abeyance.

#### 5. ACCOUNTING

##### (a) Terminal Charges

Terminal charges due to the Deutsche Post will be in accordance with the terms of the Universal Postal Union Convention or other agreements previously operating, but they will in no case be less than the following:

Up to 1 kilo - 60 gold centimes  
1 to 3 kilos- 80 gold centimes  
3 to 5 kilos- 1 gold franc

#### 6. STATEMENTS OF ACCOUNTING

Each exchange office will make statements of accounts on CP 14 and CP 15 as foreseen by Art 150 of the Universal Postal Union Convention arrangements concerning parcel post.

#### 7. INFORMATION TO BE FURNISHED TO FOREIGN POSTAL ADMINISTRATIONS AND THE UNIVERSAL POSTAL UNION

The Allied Communications and Posts Committee will furnish information concerning questions of policy, subsequent extensions and general organization of the service.

The German Postal Administration in each zone will communicate with the Universal Postal Union and foreign postal administrations on matters involving exclusively the operation of the service.

APPENDIX TO REGULATIONS WITH REGARD TO AN  
INTERNATIONAL GIFT PARCEL SERVICE

(Documents Concerning Only German Services)

1. Supplementary Charges

- (a) For notification of arrival, the cost shall be that of a single letter in the internal service of Germany.
- (b) For actual delivery, the charge should be that of a similar parcel in the German internal parcel service.
- (c) For customs clearance, the charges will be established in proportion to those paid before the war.

2. Further Routing of Gift Parcels which Have Arrived in the Wrong Zone of Occupation.

In order to insure the further delivery of gift parcels which for various reasons arrived in the wrong zone of delivery, the exchange offices concerned will re-route them in sealed bags, sealed compartments or sealed boxcars (depending on the volume which has to be delivered) to the exchange offices of the correct zone of delivery.

Approved at BERLIN 19 December 1946

GORC/P(46)398

DIAC/ACPC/PSC/P(46)79(Final)