

**RESTRICTED**

**HANDBOOK**  
**FOR**  
**KREIS RESIDENT OFFICERS**

**PART II**  
**(Technical)**

**PAMPHLET No. 7**

**MANPOWER**

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## I. MANPOWER DIVISION - GENERAL

1. Manpower Division exercises control over the functions of Employment and Labour Supply, Industrial Relations, Wages Regulation, Social Insurance and Housing and Town and Country Planning. It maintains representatives versed in these functions, through whom control is exercised, at all Military Government Regional Headquarters in the Zone. In addition, while circumstances necessitate it, Labour, Industrial Relations and Housing officers are also deployed to outstations in certain important or busy centres in the larger Regions.

2. Military Government Ordinance No. 57 of 1st December, 1946, which provisionally defined the powers of the Governments and Legislatures of the Länder within the British Zone, placed Manpower subjects in the following categories :—

(a) *Those with respect to which the Legislature of a Land shall not make laws and emergency powers are exercised by Military Government (i.e. formally "reserved" subjects) Art .II (a) and Schedule B of the Ordinance :*

Item 4. Wages and wages regulations.

„ 5. Direction to work.

„ 6. Establishment of priorities for labour supply.

„ 7. Social Insurance, including Unemployment Insurance.

„ 8. Registration, placing and recruitment of labour; Trade Unions; Conciliation and Arbitration.

(b) *Those with respect to which the Legislature of a Land shall implement fundamental principles to be laid down by or under the authority of Military Government - Art. II (b) and Schedule D of the Ordinance :*

Item 3. Housing and Town Planning.

„ 7. Factory legislation.

3. Regulation No. 1 pursuant to Military Government Ordinance No. 57 concerning the Administration of Reserved Subjects in relation to the Powers of Länder in the British Zone provides that :—

(a) the executive authority of a Land Government shall not extend to the administration of Wages and Wages Regulations (item 4 of para 2 (a) above); and



- (b) in respect of Land Labour Offices and Labour Offices (items 5, 6, 7 and 8 of para 2 (a) above) the executive authority of Land Governments shall be provisional and shall be exercised through a designated Minister deemed to be a Special Commissioner for any public corporations or institutions which may be established as the executive authorities in the territory of the Land for subjects within the competence of the Land Labour Offices and Labour Offices.

4. Manpower Division H.Q. is at present paralleled on the German side by a "German Labour and Housing Agency" comprising advisory panels of German officials experienced in Labour Supply, Industrial Relations, Wages, Social Insurance, Housing and Town and Country Planning. The Agency works alongside the Division's representatives at the Zonal Executive Offices. The future scope and status of the Agency is bound up with questions of the establishment of any public corporations or institutions with executive authority on a zonal or central basis - matters which are at present under active consideration.

5. It is intended eventually to create a German body similar to the "Institution for Labour Placing and Unemployment Insurance" originally established in 1927 but abolished by the Nazis. This will have the effect of removing the administration of Labour Offices from direct governmental control, and subordinating them instead to joint control of workers, employers and government representatives. This does not, however, apply to wages and industrial relations. Control of the latter must remain with Mil. Gov. during the period of economic planning. The latter is not a strictly governmental function, and is bound up with the development of the trade union movement in Germany. Housing and Town Planning and Factory Legislation fall to Land Government and lower authorities where appropriate subject to the establishment of certain fundamental principles by Military Government or by any Zonal or Central German appointed by it.

## II - SUPPLY OF LABOUR

### GENERAL

1. The general responsibility falls to Employment and Labour Supply of Manpower Division, who work through the German Land Labour Offices (Landesarbeitsämter) and Labour Offices (Arbeitsämter). This is a "reserved" function both on

the British and the German side. The German Labour Offices are independent of local government at all levels, and their boundaries do not necessarily coincide with those of the Kreise.

### LABOUR CONTROLS

2. Because there is a great shortage in the British Zone of labour capable of doing arduous work, there is a close control on its employment. Under Control Council Order No. 3, no labour may be engaged except through the labour office, and no person may change his place of work without the permission of the labour office. Persons may be compulsorily directed to work by the labour offices but not by any other German authority.

### REGISTRATION

3. Control Council Order No. 3 also requires that the employable population (defined as all men between 14 and 65 and women between 15 and 50) shall register at the labour offices as a condition of obtaining food ration cards. All persons within these ages are required to possess documents proving that they have so registered and that they are either working or, if unemployed, are regularly reporting for work to the labour offices, or have been exempted from work by the labour offices because they are incapable on medical grounds or not available owing to domestic circumstances (e.g. a woman with children under 14) or because they are pursuing full time courses of instruction (e.g. university students) or for other reasons defined by Mil. Gov.

### LABOUR PRIORITIES

#### 4. (a) *For the Occupation Authorities*

German civilian labour for work with the Occupation Authorities is obtained through P.C.L.U.s. (Pioneer and Civil Labour Units) who act as liaison with the German labour offices. British and Allied authorities may NOT approach the German labour offices direct on this matter. P.C.L.U.s. are responsible to the Directorate of Labour B.A.O.R. but act as a service for C.C.G. in procuring civil labour. The wages rates for civil labour are fixed by the German labour offices and wages are paid by the nearest German

Local Authority which is, in law, the "employer" of such labour.

- (b) *For German contractors working with the Occupation Authorities.* The shortage of fit and skilled labour has made necessary a simple system of priorities to ensure that what labour is available goes to the most important work. German contractors and authorities engaged on work which the appropriate functional office of C.C.G. considers essential are given a "sponsoring certificate" for a specific demand. Such demands are met by the German labour offices before others. If the required labour is still not forthcoming, the C.C.G. functional office then applies to the Regional Manpower Officer for priority. Applications are considered and priorities awarded by the Regional Labour Priorities Board which meets usually at fortnightly intervals and on which the main users of labour are represented.

(c) *Other Demands*

All other demands for labour are met by the German labour offices from the remaining available unemployed.

#### EXTRACTION. EMPLOYMENT OF WOMEN. LABOUR SUPPLY FOR COALMINING

5. The abnormal economic conditions prevailing in Germany at present make a strict control of the allocation of labour between occupations and industries absolutely necessary. The German labour offices have established a Labour Supply Inspectorate whose responsibility it is to see that all labour at present employed is working on essential work. If the inspection discloses that too much labour is employed the labour offices have power to withdraw labour and direct it elsewhere to meet priority demands. This applies particularly to the substitution of less fit men or women for able-bodied men doing work which does not require a fully fit person. There is an immense unsatisfied demand for men for underground work in the Ruhr coal mines to meet which a very high proportion of the fit young men in the British Zone will eventually be required. It is, therefore, most important that all officers of C.C.G. at all levels co-operate with Manpower functional officers and with the German labour offices in their efforts to recruit fit men for this work.

#### MANPOWER DIVISION C.C.G. (B.E.) LABOUR SUPPLY DIRECTIVES

<i>Supply Labour Directive No.</i>	<i>SUBJECT :</i>	<i>Date of issue</i>
2	Labour for Coalmining.	21.8.45
6	Procedure - Priority Boards.	26.9.45
15	Inter-regional transference of labour— accommodation for transferred workers.	8.2.46
18	Economical use of labour employed by services, C.C.G., etc.	30.12.46

#### LABOUR SUPPLY GENERAL INSTRUCTIONS (as current at 3.2.47)

<i>Manpower Div. Ref. (MP/LS)</i>	<i>SUBJECT :</i>	<i>Date of issue</i>
40232/1	Control Council Order on Registration.	22.1.46
40232/1	Responsibility for Labour Supply.	31.1.46
44073	Setting up of a German Labour Supply Inspectorate.	21.2.46
44101	Regulations and Priorities to be observed in the Practice of Hiring.	20.3.46
44124	Employment of Juveniles.	7.5.46
44012/4	Link-up of issue of Change of Residence Permits under Ordinance No. 16 with Labour Offices.	17.5.46
44102/10	Persons working on own account - One Man Businesses.	3.8.46

#### LABOUR SUPPLY GENERAL INSTRUCTIONS (as current at 3.2.47)

<i>Manpower Div. Ref. (MP/LS)</i>	<i>SUBJECT :</i>	<i>Date of issue</i>
44068/2	Employment of women on Building and Reconstruction Work.	19.8.46
44012/14	Issue of a Uniform Work Pass for the British Zone.	30.8.46
44004	Repatriation of P.O.W. from U.K. to the British Zone.	21.9.46

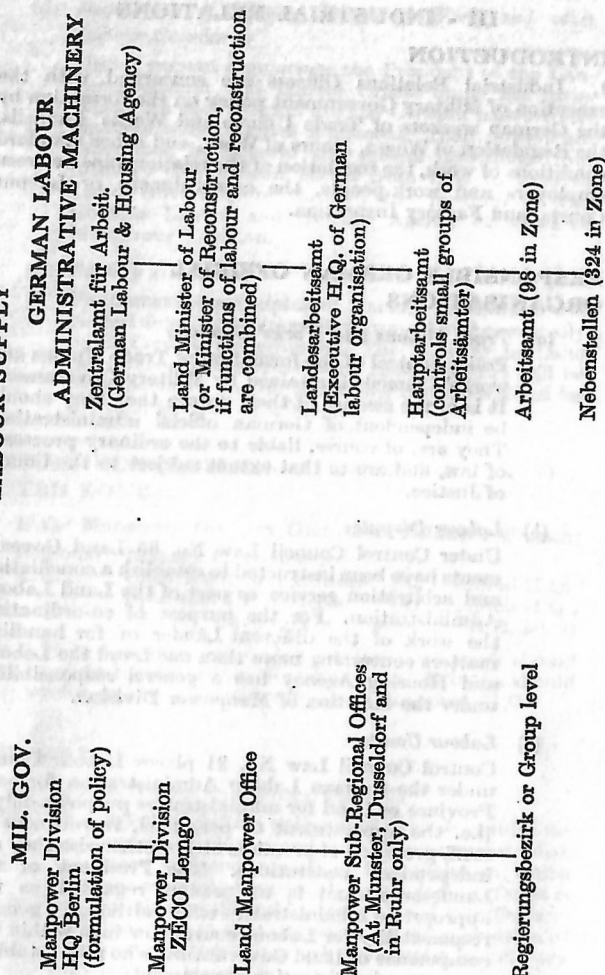
<i>Manpower Div. Ref. (MP/LS)</i>	<i>SUBJECT:</i>	<i>Date of issue</i>
44034	Employment of Displaced Persons.	21.10.46
44004	Repatriation of P.O.W. from U.K. to British Zone.	30.10.46
44012/4	Compulsory Direction to Work. Mil. Gov. Ordinance No. 54.	18.11.46
44054/9	Employment of German Civilians by UNRRA.	13.12.46

## 6. RESPONSIBILITY OF THE K.R.O.

The K.R.O. will no doubt often be approached by representatives of German Economic interests and less often by representatives of the P.L.C.U. or one of the Occupation Forces in his Kreis, concerning methods of obtaining labour urgently for projects in which they are interested. He should therefore be acquainted with the proper procedure for

- (a) placing a demand for labour on the local labour office and
- (b) following up unsatisfied demands by making use of the labour priorities machinery. His responsibility will be to give broad guidance to such enquirers as to the correct channels to use; technical guidance will be supplied by the German Labour Administration or functional Manpower Officers. It is important that the K.R.O. should know the implications of Control Council Order No. 3 regarding entitlement to ration cards, exemption from working and the heavy penalties for failure to register or refusal to accept a reasonable offer of work. Movement of German civilian employees when formations and units of the Services and C.C.G. change station is very strictly controlled and responsibility for such movement is vested in the Labour Control Services and Manpower Division.

## MANPOWER - LABOUR SUPPLY





### III - INDUSTRIAL RELATIONS

#### INTRODUCTION

1. Industrial Relations Officers are concerned with the execution of Military Government policy on the formation by the German workers of Trade Unions and Works' Councils, the Regulation of Wages, Hours of Work, and other standard conditions of work, the regulation of the relationships between employers and work-people, the establishment of Labour Courts, and Factory Inspection.

#### RESPONSIBLE GERMAN OFFICIAL ORGANISATIONS

##### 2. (a) *Trade Unions and Works' Councils*

Policy control of the formation of Trade Unions and works' Councils is retained by Military Government. It is of the essence of their nature that they should be independent of German official administration. They are, of course, liable to the ordinary processes of law, and are to that extent subject to the Courts of Justice.

##### (b) *Labour Disputes*

Under Control Council Law No. 35 Land Governments have been instructed to establish a conciliation and arbitration service as part of the Land Labour Administration. For the purpose of co-ordinating the work of the different Länder or for handling matters concerning more than one Land the Labour and Housing Agency has a general responsibility under the direction of Manpower Division.

##### (c) *Labour Courts*

Control Council Law No. 21 places Labour Courts under the German Labour Administration for each Province or Land for administrative purposes only - (i.e. the appointment of personnel, recruitment of staff, provision of premises etc.) - otherwise they are independent institutions. The President of the Landesarbeitsamt is at present regarded as the appropriate administrative officer although a general responsibility for Labour courts now falls within the competence of Land Governments who may establish separate administrative departments.

##### (d) *Regulation of Wages, Hours of Work and other Labour Standards*

Under current regulations the President of the Landesarbeitsamt and Labour Offices under his jurisdiction in each Region are the German instruments through which control is effected. Their powers are prescribed by general and special directions from Military Government issued from time to time to Land Governments through the medium of the German Labour and Housing Agency attached to Manpower Division.

##### (e) *Factory Inspection*

Fundamental principles of Factory legislation will be laid down by Military Government and eventually by a Central Government. The Minister in Land Governments concerned with Labour affairs will be responsible for any implementing regulations and for the maintenance of a Factory Service.

#### BRITISH CONTROLLING AUTHORITIES IN THE BRITISH ZONE

##### 3. H.Q. Manpower Division (Industrial Relations Branch)

Regional Military Government

H.Q. Chief Manpower Officers (At Regional H.Q.)

Specialist I.R. Officers (At Regional H.Q.)

Military Government Officers (At R.B. level)

*Note:* It is desirable that Industrial Relations work should not be handled below Regional level. K.R.O.s should refer to the specialist officers at Regional H.Q.

#### BRITISH POLICY

##### 4. (a) *Trade Unions and Works' Councils*

The object of British policy is to provide conditions under which employers and work people may establish voluntary self-government in the affairs in which they are mutually concerned, that is free, so far as is practicable and desirable, from official interference. The first stage in that development is the creation of organisations through which the parties in industry may govern themselves.



At the factory level the machinery of self-government by work-people consists of the *Works' Council*, the formation of which is governed by *Control Council Law No. 22* (see below). In the broader industrial sphere the Trade Union is the means through which workpeople should govern their affairs.

Whereas in the early stages of the Occupation Military Government had to ensure that subversive organisations did not spring up, both Works' Councils and Trade Unions have now become well-established in the British Zone on satisfactory lines. Military Governments' direct concern with the process of their formation is now considerably diminished (see I.R. Directives Nos. 16 and 27). It has been, and still remains, the intention of instructions on these matters that Military Government Officers should not become involved in the *internal* affairs of work people's organisations but should be ready to nip in the bud any activities likely to lead to conflict with the Occupation Authorities. Even so, the interventions of Military Government Officers must necessarily be well timed and discreet if they are to be effective without causing unnecessary aggravation. The advice of specialist Industrial Relations Officers should always be sought when doubts arise as to the propriety of the activities of Trade Unions or Works' Councils.

(b) *Employers' Organisations*

The organisation by employers of Associations for their mutual protection, for bargaining with Trade Unions, and for other trade purposes, is permitted within limits prescribed in the Economic Sub-Commission's Technical Instruction No. 12. For this purpose no distinction is made between organisations calling themselves Trade Associations and those which might call themselves Employers' Associations. Industrial Relations Directive No. 25 is complementary to Technical Instruction No. 12.

(c) *Labour Disputes*

The basic principle upon which policy is based is one of non-intervention by Military Government between German employers and their workers, though disputes which directly threaten the interests of the

British Authorities may call for intervention. Any such intervention is a matter for decision by specialist Industrial Relations Officers who should be freely consulted at Regional H.Q. level or at Manpower Headquarters. The disputes which are envisaged under this heading are those which arise out of a demand from one party or the other for an *alteration* to an existing contract of service – (a demand for higher wages, for example) – or which involve concerted action by work-people threatening, or resulting in, a stoppage of work in circumstances in which there is no process of law through which the demand may be enforced. Such disputes must be distinguished from those dealt with by Labour Courts.

(d) *Labour Courts*

Labour Courts exercise an exclusive judicial function in disputes arising out of the employment relationships between employers and work-people. Broadly speaking that function is confined to disputes arising out of the operation of contracts of service, collective agreements, or other regulations governing wages or conditions of service – (that is as to their meaning, and extent, or the alleged failure of one party or the other to comply with a term or terms). A dispute may also occur as to the existence of a contract, or agreement, or regulation. That too would be a matter for the Labour Court.

Military Government has no part in such disputes. They should be left to the ordinary processes of the law.

(e) *Wages Regulations*

The policy, steadily maintained since the occupation began, has been to make the Germans themselves responsible for maintaining wage controls. Powers of wage regulation formerly held by *Treuhänder der Arbeit* (Trustees of Labour) were placed in the hands of Presidents of *Landesarbeitsämter* who became responsible for issuing, amending and enforcing wage regulations (*Tarifordnungen*). At the moment control is principally exercised by means of a Wage Stop or embargo on increases or decreases in wage

rates. It is envisaged that the powers now vested in Presidents of Landesarbeitsämter of maintaining these wage controls will gradually diminish when free bargaining can develop between employers and Trade Unions. In the meantime policy is directed towards developing greater direct participation by employers and work-people in wage fixing. Relaxations in the Wage Stop are permissible in certain limited conditions which are specified in Industrial Relations Directive No. 26. Accordingly, the Control Council may from time to time authorise negotiations between employers and Trade Unions for the purpose of establishing new rates of wages in selected industries. Further Wages Advisory Bodies, consisting of representatives of employers, Trade Unions and consumer interests have been established in all Regions to advise Presidents of Landesarbeitsämter in the performance of their wage control duties.

It is particularly important to note that for all Germans employed by British Authorities (Military or Civilian), the President of the Landesarbeitsamt is the appropriate wage fixing authority. No British Authority should attempt to act in that capacity.

(f) *Hours of Work*

*Control Council Directive No. 26* lays down the broad principles of the eight-hour day and the forty-eight-hour week as *alternative* standards. Having prescribed the standard the policy is to place on employers and Trade Unions the onus of determining the precise arrangement of hours of work in particular establishments, subject to the approval of Presidents of Landesarbeitsämter and the overriding control of whichever Division of the Control Commission is interested in the commodity produced by the undertaking, or the services it performs.

(g) *Factory Inspection*

It is British policy to regard this as a matter which can well be left to the Germans and Land Governments are responsible in this field under the direction of Military Government which prescribes broad principles to be observed.

## RESPONSIBILITY OF KREIS RESIDENT OFFICERS

5. The K.R.O. should acquire a broad picture of the situation in his area – the development of Trade Unions and Employers' Associations – the circumstances which may be hindering or even accelerating development, the state of relationships between employers and work-people, circumstances which may give rise to industrial discontents. He should ensure that such information is transmitted to the specialist Industrial Relations Officers at Regional Headquarters.

## PRECIS OF INDUSTRIAL RELATIONS' DIRECTIVES

6. N.B. + indicates importance of the Directive.  
I.R. Directive No. 1 and No. 2 cancelled.

*I.R. Directive No. 3 – BAOR/MP/40210, 30th August, 1945*  
*Wage Control*

Delimitation of function of Presidents of Landesarbeitsämter in the matter of enforcement of wage regulations and the "Wage Stop". Responsibility of Regional Military Government Officers.

*I.R. Directive No. 4 – BAOR/MP/43014/3, 30th August, 1945*

*Formations of Trade Unions*

Press and Radio announcement (superseded by I.R. Directive No. 16).

*I.R. Directive No. 5 – BAOR/MP/43008/1, 31st August, 1945*

*Guide to the Handling of Labour Disputes*

Cancelled by I.R. Directive No. 29.

*I.R. Directive No. 6 – BAOR/MP/43012, 4th September, 1945*

*Wage Control*

Copy of Military Government Ordinance No. 7 transferring the wage control powers of Reichstreuhänder to Presidents of Landesarbeitsämter.

*I.R. Directive No. 7 – MP/43024*

*Wage Control*

Termination of employment, periods of notice :—  
*superseded by I.R. Directive No. 9*

*I.R. Directive No. 8-MP/43005, 25th September, 1945*  
*Wage Control*

Defining powers of Presidents of Landesarbeitsämter to authorise adjustment of salaries of employees.

*I.R. Directive No. 9-MP/43024, 24th October, 1945*  
*Wage Control*

Termination of employment, periods of Notice, Defining powers of Presidents of Landesarbeitsämter to control discharges and to vary periods of notice.

*I.R. Directive No. 10-MP/43009, 6th December, 1945,*  
*Wage Control*

Powers of Presidents of Landesarbeitsämter to order short-time working instead of permitting discharges of redundant work-people.

+++ *I.R. Directive No. 11-MP/43009, 19th December, 1945*  
*Wage Control*

Fixing wage rates of persons employed through PCLUs. Directive places responsibilities on Presidents of Landesarbeitsämter. British Authorities should not take the responsibility for fixing rates.

*I.R. Directive No. 12-MP/43005/2, 4th February, 1946, Wage Control*

Claims by Displaced Workers for unpaid wages. To be pursued through the normal processes of the law.

+++ *I.R. Directive No. 13-MP/43001, 9th February, 1946*  
*Wage Control*

Policy Directive from Allied Control Authority. Provides for maintenance of existing controls through the Presidents of Landesarbeitsämter. See also I.R. Directive No. 26.

*I.R. Directive No. 14-MP/43005/6, 6th March, 1946*  
*Wage Control*

Directions to Presidents of Landesarbeitsämter to establish Wage Advisory Councils.

*I.R. Directive No. 15-MP/IR/43026, 7th March, 1946*  
*German Workers' Holidays*

Provides that holidays prescribed in Tariff Orders should be granted to German workers.

+++ *I.R. Directive No. 16-MP/IR/43014, 12th April, 1946*  
*Formation of Trade Unions*

Prescribes three stages of development. (Note, this Directive is largely modified by I.R. Directive No. 27)

Phase I Initial exploratory stage.

Phase II The development stage.

Phase III The established stage.

All applications for permissions to form a Trade Union should be passed to the specialist Industrial Relations Officer at Regional H.Q. of Military Government (see printed pamphlet available in all Military Government detachments).

+++ *I.R. Directive No. 17-MP/IR/43032, 6th May, 1946*  
*Works' Councils-Control Council Law No. 22*

Confers freedom on all work people to establish in the place of their employment a Work's Council-work-people themselves may decide the constitution, functions and methods of operation. Military Government action confined to advising where necessary and observing activities to ensure against objectionable practices. Any suspicion of subversive activity or undesirable developments should be reported to Regional H.Q.

*I.R. Directive No. 18-MP/IR/43005, 7th May, 1946*  
*Wage Control*

Requires Presidents of Landesarbeitsämter to deposit with Military Government copies of all orders they make in connection with wage control. Copies to be sent to Main H.Q.

*I.R. Directive No. 19-MP/IR/43007/4, 31st May, 1946 Wage Control*

*Payment for reduced working time resulting from ration cuts.* Directive authorises Presidents of Landesarbeitsämter to make necessary orders amending existing Tariff Orders to permit of proportionate reductions in salaries when working hours are reduced.



*I.R. Directive No. 20-MP/IR/43007/6, 16th June, 1946*  
*Wage Control-Overtime Payments*  
*Simplifications of Wage Calculations*

Directive authorises Presidents of Landesarbeitsämter to make local orders annulling or permitting departures from certain war-time orders relating to calculation of wages.

*I.R. Directive No. 21-MP/IR/43007/7, 22nd June, 1946*  
*Hours of Work*

Directive promulgates Control Council Directive No. 26 which establishes the alternative standards of an eight-hour day or a forty-eight-hour week for German workers. Hours worked in addition are "overtime hours". Fewer hours may be worked to meet special circumstances. Precise arrangement of working hours to be left to agreement between employers and work-people subject to approval by Presidents of Landesarbeitsämter.

*I.R. Directive No. 22-MP/IR/43014, 24th June, 1946*  
*Trade Unions*

Directive revises method of collecting statistics and rendering of progress reports.

*I.R. Directive No. 23-MP/IR/43009, 6th July, 1946*  
*Wages of workers employed by Occupation Authorities*

Emphasises responsibility of German Wage Control Authorities and undesirability of intervention by British Officers.

*I.R. Directive No. 24-MP/43006, 9th August, 1946*  
*Labour Courts*

Promulgates Control Council Law No. 21 and prescribes rules governing the opening and functioning of Labour Courts :- see also amendment dated 28th October, 1946, concerning the employment of Professional Advocates in Labour Courts.

*I.R. Directive No. 25-MP/43021, 6th September, 1946*  
*Employers' Associations*

Formation to comply with Economic Sub-Commission's Technical Instruction No. 12.

+++ *I.R. Directive No. 26-MP/43001, 9th October, 1946*  
*Wage Control Policy*

Supplement to Control Council Directive No. 14-by virtue of which certain relaxations in "Wage Stop" may be permitted (see I.R. Directive No. 13).

+++ *I.R. Directive No. 27-MP/43014, 15th October, 1946*  
*Trade Unions-Formation*

Relaxation of Military Government rules (see also I.R. Directive No. 16).

*I.R. Directive No. 28-MP/IR/43005/6, 16th December, 1946*  
*Wage Controls*

Regional Wage Advisory Councils. Agendas and Minutes to be referred to Manpower Division Headquarters.

+++ *I.R. Directive No. 29-MP/83033, 31st December, 1946*  
*Industrial Disputes : Conciliation and Arbitration Machinery*

Defines responsibilities of Land Governments' Labour Administrations and of Military Government Officers in the matter of establishing conciliation and arbitration machinery and handling disputes including strikes and other labour demonstrations.

## IV. SOCIAL INSURANCE

### 1. INTRODUCTION

Over a period of more than 60 years (i.e. commencing in the time of Bismarck) the Germans have built up an elaborate system of Social Insurance covering pensions for old age, permanent invalidity and widowhood; compensation for industrial accidents; cash and medical benefits for sickness and cash benefits for unemployment. The German worker has, therefore, been accustomed to social insurance for more than two generations and he has come to accept it as an essential part of his life. He is certainly much more social security-minded than the normal British worker in spite of the interest and enthusiasm aroused by the new British Social Insurance legislation. This is particularly so in the case of the miner who, because of the hazards of his occupation, is naturally very much concerned as to the provisions which will be made for

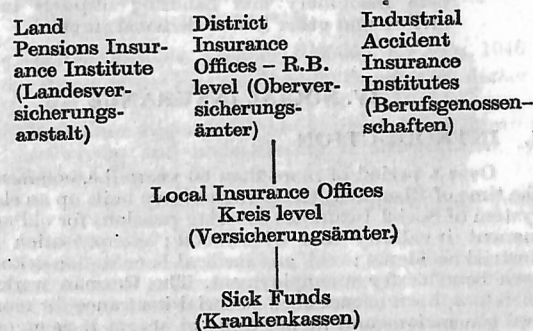


him and his dependants in the event of his becoming unfit for work or meeting with a fatal accident. The German miner has his own institution (the "Knappschaft") for sickness and pensions insurance and receives much higher rates of pensions than the ordinary worker. The fact that German worker gives up 10 per cent of his wages (and his employer a similar amount) in the form of Social Insurance contributions is some indication of the economic importance of the system.

## 2. THE GERMAN "SET-UP"

### (i) Present

Sickness, pensions and industrial accident insurance are administered through a system of Social Insurance Institutes or "Carriers" (Träger). These institutes are organised at different levels according to the branch of Social Insurance concerned. There are, for instance, 1,300 Sick Funds but only nine Pensions Institutes in the British Zone. The present Regional organisation for sickness, pensions and industrial accidents is approximately indicated by the following diagram :-



Notes : (1) The District and Local Insurance Offices have limited supervisory powers over the Sick Funds and they are also responsible for the maintenance of appeal machinery for all branches of Social Insurance.

(2) The Industrial Accident Insurance Institutes are in the main organised on an occupational and not on a geographical basis.

(3) There are separate Social Insurance Institutes for miners and for employees of the Reichsbahn, the Reichspost, and the Mercantile Marine.

Payment of Unemployment Insurance Benefits (i.e. without a needs test) was discontinued in September, 1939, but contributions for this branch of Social Insurance have nevertheless been required to be paid since that date. In place of the Benefit scheme a system of unemployment relief (involving payment on the basis of needs) has been operated by the Labour Offices (Arbeitsämter) under the supervision of the Land Labour Offices (Landesarbeitsämter).

(ii) Proposals have been under consideration at quadripartite level for some time for the supersession of the existing diffuse and complicated system of Social Insurance in Germany by a simpler and more homogeneous organisation. If these proposals should become effective there will be one Social Insurance Institute only for each Land and the Hansestadt Hamburg, with departments for sickness, pensions and industrial accidents and with local branch offices dealing with applications for all types of social insurance benefits. The separate institutions for miners and employees of the Reichsbahn and Reichspost (but not the Mercantile Marine) will, however, probably be retained.

The administration of unemployment relief through the Labour Office organisation will be unaffected, but it is proposed to re-introduce a genuine unemployment insurance scheme, which will be similarly operated through the Labour Office organisation, as soon as practicable.

## 3. BRITISH CHAIN OF COMMAND FOR CONTROL

The Social Insurance Branch of Manpower Division has one or more representatives at each Regional Headquarters, but there is no officer of the Social Insurance function below that level. In the absence of a National or Zonal German administration, control over the various Social Insurance

Institutes in each Region is exercised through the appropriate Land Minister and in Hansestadt Hamburg through the Aufsichtsamts für Sozialversicherung.

Instructions initiated or approved by the Social Insurance Branch are issued by the German Labour and Housing Agency (see I, para 4) to the Land Minister (in Hamburg to the Aufsichtsamt) for dissemination to the institutes throughout the Region. The Social officer at Regional-Headquarters is required to ensure that these instructions are properly implemented.

#### 4. BRITISH POLICY

There is nothing fundamentally objectionable in the German social insurance system, which in fact constitutes a stabilising influence on the German economy. It is, therefore, proposed that the Germans should be allowed and even encouraged to retain the existing basis of their schemes which may be summed up, in terms of wages, as "percentage benefits in return for percentage contributions". It is intended also to require a simplification of the existing organization in the interests of economy and control, in the event of the quadripartite proposals for the reform of social insurance failing to materialise (see para 2(ii)).

Approved policy also requires the eradication of objectionable features introduced during the Nazi era. These include the "Führerprinzip" in place of democratic committees of management, discrimination on political, racial or religious grounds, diversion of Social Insurance contributions to other purposes and the "buying of public morale" by giving increased benefits heavily subsidized from public funds. Most of these undesirable features have, in fact, been removed already, e.g. democratic appeals tribunals comprising representatives of workers and employers have been re-introduced and all discrimination has been eliminated.

It is also intended that the Social Insurance Scheme should be selfsupporting from the contributions of workers and their employers and that the practice of subsidization from public funds should cease, even if this involves increased contributions and/or reduced benefits. It is, in fact, from the financial angle that "Control" is most important and it is essential that Social Insurance is not used as a cloak to financial and economic practices which are inimical to the aims of the Control Commission.

#### 5. RESPONSIBILITY OF THE K.R.O.

Two important points must be emphasised viz: (1) the Social Insurance organisation is not part of Local Government administration at any level and (2) the work of the Social Insurance Institutes is very largely of a specialised and technical character. It is not necessary for the K.R.O. to take an active part in the supervision of the Social Insurance Institutes or their branches which will be the primary responsibility of the functional officer at Regional H.Q. in conjunctions with the H.Q. Inspectorate of the Manpower Division. On the other hand, in view of the important part played by Social Insurance in the life of the community as a whole, it is essential that the man on the spot should "keep his ear to the ground" for any signs of maladministration or discontent among the insurable population (i.e. for all practicable purposes the whole population). These signs may take the form of complaints of delay in dealing with applications for benefits, allegations that discrimination is exercised in the making of awards by officials and that the democratic Appeal Tribunal machinery is not operating smoothly and impartially. An occasional visit to a Social Insurance Institute or branch, which will usually be attended by considerable numbers of the local population, should enable the general atmosphere of the administration (more particularly as it affects the relations between officials and members of the public) to be gauged without the necessity for a detailed inspection.

#### 6. PRECIS OF RELEVANT INSTRUCTIONS

A precis of the technical instructions on Social Insurance so far issued would be meaningless without a knowledge of the complicated and voluminous legislation to which they relate but a summary of their more important features is given at the end of this section. The re-organization proposals referred to in para 2 above will, however, probably be the subject of a Control Council Law, copies of which will be made available to K.R.O.s.

#### PRECIS OF THE MORE IMPORTANT PROVISIONS OF SOCIAL INSURANCE DIRECTIVES

##### S.I. Directive No. 1 28/8/45

Sickness Insurance :	Additional cash benefits suspended
Pensions Insurance :	Not more than one pension (the highest) to be paid to any indivi-

General : dual from Social Insurance or Public Funds.  
Discrimination in payment of benefits prohibited.

**S.I. Directive No. 3 11/10/45**

Pensions Insurance : Exemptions from insurance suspended and pensionable age for children reduced from 18 to 14 (16 if at school).

**S.I. Directive No. 4 18/10/45**

Sickness Insurance : Uniform rate of contribution, 6% prescribed for all Sickness Funds.

**S.I. Directive No. 5 19/10/45**

Social Insurance : Establishment of democratic appeals tribunals ordered for all branches of Social Insurance.

**S.I. Directive No. 7 24/10/45**

Unemployment Relief : Prescribed that Unemployment Relief shall not fall below the Public Assistance rates.

**S.I. Directive No. 10 2/1/46**

Unemployment Relief : Prescribed certain revisions in the formula for determination of need.

**S.I. Directive No. 11 11/1/46**

War Pensions : Prescribed certain preliminary measures for the abolition of War Pensions and the transfer of recipients, where qualified, to the Social Insurance system. Formal abolition and transfer effected on 1/8/46.

**S.I. Directive No. 12 16/1/46**

Accident Insurance : Prescribed a revised formula for the assessment of compensation (hitherto calculated on abnormal war-time earnings) and effected other economies.

**S.I. Directive No. 16 6/3/46**

Accident Compensation - Provided for the application of the  
Dienstgruppen : Accident Compensation Law to  
Dienstgruppen injured on duty.

**S.I. Directive No. 19 6/8/46**

War Pensioners - Prescribed the provision of free  
Medical Benefit : medical benefit, and surgical and other appliances, for former War Pensioners (including civilians disabled by war operations), whether they qualify for Social Insurance pension or not, where the injury or disease is attributable to War Service or War Operations.

**S.I. Directive No. 22 7/11/46**

Sickness Insurance : Restored a waiting period of 3 days for cash sickness benefit (this had, for financial reasons, been increased to 7 days following the occupation).

**V - HOUSING - TOWN AND COUNTRY PLANNING  
DIVISION**

1. The control of Housing and Town and Country Planning constitutes the work of the Housing Branch of Manpower Division.

**POLICY**

2. The broad aspects consist of the resettlement of Germans rendered homeless by the War and the settlement of German refugees by billeting, the control of existing living space, repairs to damaged houses, adaptation and conversion of suitable buildings to provide additional living space ; Town and Country Planning by which development shall be generally controlled having regard to the distribution of the population, level of industry and the general policies of the Commission ; new construction which involves acquisition of land and planning and layout of estates, the control of housing standards, e.g. type and cost of houses, housing designs (more particularly



from the architectural, social health and amenity aspects) and (in conjunction with Building Industries Branch of T & I Division) standards of construction, and also in consultation with Finance Division, housing finance, e.g. control of rents and selling prices, supervision of Housing Societies, general finance relating to repair of war damage and new construction. Now that a considerable degree of power in administration and execution of policy is being delegated to the Länder, K.R.O.s must be prepared for local variations in procedure according to the Land in which they serve.

### DISTRIBUTION OF POPULATION

3. It is an implication of Housing Law 18 that 4 square metres should be the minimum average living space in any area. In calculating this, kitchens under 10 square metres, bathrooms, passages etc. are not measured, but children up to one year are not counted, and children between one year and fourteen years count as half a person. It is the duty of the Land Government to do its best to ease the situation of any Kreis or Stadt which is approaching this figure by enabling more repairs or rebuilding to be done; also by removing non-essential population or by any other means which seem expedient. Constant watchfulness is necessary to ensure the full and fair use of all existing accommodation.

### PROHIBITION OF CHANGE OF RESIDENCE

4. With the influx of refugees, the natural drift of evacuees back to their home areas and the general instinct of homeless people to move about in search of somewhere to make a home, it became necessary for Mil Gov to issue Ordinances Nos. 16 and 17. Ordinance 16 forbids anyone to change his or her residence for a period of longer than three days without a proper permit and Ordinance 17 requires the occupier of every dwelling to put on the main front door a list of all persons residing therein. The combined effect of the refugee distribution plan and of Ordinance 16 will help in securing a more equitable sharing of housing space available in the British Zone.

### HOUSING LAW 18

5. This law requires German Local Authorities (Gemeinden, Gemeindeverbände, and Kreise) under the supervision of appropriate German Authorities at higher levels, to set up housing offices (Wohnungsämter) and to establish Housing

Committees. It provides rules which are to be observed by the German Local Authorities in providing and allocating housing space for their people. This law also gives the German Authorities power to requisition any housing space necessary for carrying out the provisions of the law.

### WAR DAMAGE REPAIR AND NEW CONSTRUCTION

6. The broad outlines of the policy to be adopted and the executive action to be taken in relation to war damage repairs and the provision of additional housing space by new construction are laid down in Housing Directives 5 and 8. Consultations are at present in progress concerning standards of accommodation, and it may be that some relaxation of the restrictions laid down in Directive No. 8 may be possible later.

### SPONSORING OF HOUSING BUILDING WORKS

7. All Housing Building work which is carried out in accordance with the policy and directions of Housing Branch must be sponsored by the Branch under the scheme for the Control and Licensing of Building Work.

In accordance with the directions issued the works of repair should be sponsored in blocks which involve more than 10,000 RM. Works costing less than 10,000 RM are not sponsored by Housing Branch, but are included in the Kreis Monthly Maximum by the local authority. The K.R.O. when endorsing the weekly list of works submitted under the Kreis Monthly Maximum, should ensure that no project are approved which do not conform to existing Housing Directives.

### REQUISITIONING OF ACCOMMODATION

8. At the present time the requisitioning for the Services, C.C.G. and D.P.s. is the responsibility of the Quartering and Barrack Services of B.A.O.R. who give 14 days notice of requisitioning and de-requisitioning to the Kreis authorities. The K.R.O. can object to the requisitioning of any particular house, but should produce an alternative offer, if at all possible. Zonal Executive Instruction No. 36 gives lists of persons whose houses must not be requisitioned or can only be requisitioned with the assent of the appropriate Mil. Gov. Branch.

Regional Standing Accommodation Committees have now been set up; and disputes concerning requisitioning which cannot otherwise be resolved can be taken to them, and thence,



if necessary, to the Zonal Standing Accommodation Committee which has also been set up in accordance with Zonal Executive Instruction No. 36.

#### FINANCE

9. For the current year to the 31st March, 1947, provision for the payment of repair of war damage, for the purchase and erection of Nissen huts, and the other housing works and services, has been made in the Land section of the Reich budget. German Local Authorities therefore will be reimbursed the expenditure under these headings which they have incurred with the authority of Military Government. The question as to the financing of war damage repairs and the provision of new houses after the current year is still under consideration.

#### GERMAN HOUSING AUTHORITIES

10. Directions were given as far back as December 1945 that a Landeswohnungs- und Planungsamt should be set up in each Province and Land and that housing offices should be set up by R/B and Kreis level. The German local Authorities are not "housing minded" and are apt to regard their housing offices as merely agencies for billeting. Every effort has been and is still being made to impress on the German Authorities that their housing responsibilities are of the first importance and this should be reflected in the organisation of their administrative structure. Ordinance 57 deals with the legislative powers of the Länder, and it should be noted that in Schedule D their legislative powers in respect of Housing and Town and Country Planning are subject to the laying down by the central office of certain fundamental principles. These principles will be laid down by Housing Branch as soon as possible. It is important that within the Land Ministries there should be a Minister of Reconstruction or similar Minister, one of whose main functions will be the responsibility for Housing and Town and Country Planning. There should be as little interference as possible with the Ministry provided there is no deviation from the fundamental principles which are to be laid down.

#### RESPONSIBILITY OF THE K.R.O.

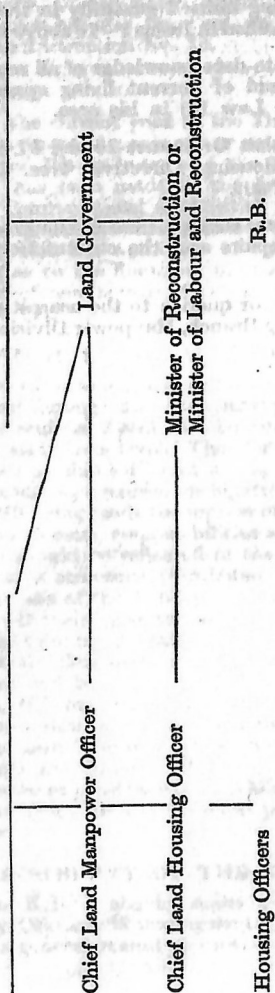
11. The K.R.O. should make personal contact with the Housing Officers, Wohnungsämter, etc. in his area, and so acquire a general overall picture of the housing situation in the area.

In addition to keeping himself generally in the picture regarding all matters contained in Items 1 - 10 above he should

- (a) maintain an up-to-date knowledge of all movements of population and of current living space figures (under Housing Law 18) in his area.
- (b) satisfy himself that Ordinance 16 and 17 are being enforced and Housing Directives Nos. 5 and 8 properly carried out.
- (c) maintain a general survey of the situation as regards War Damage repairs and the construction of new dwelling units.
- (d) refer any doubts or queries to the nearest available officer of Housing Branch, Manpower Division.

## HOUSING AND TOWN PLANNING

Housing Branch (Manpower Division)  
of German Labour and Housing Agency



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## VI — HEADQUARTERS INSPECTORATE BRANCH INTRODUCTION

1. Manpower Division maintains a team of Inspectors attached to and operating from the Zonal Executive Offices as members of a branch of the Division known as "Headquarters Inspectorate Branch".

### SCOPE AND METHODS

2. (1) The Headquarters Inspectorate is responsible for the examination of the work of Manpower officers at Headquarters and at the Regional, Land, or other detachments in the field and also the examination of the work carried out by the German offices administering the functions controlled by Manpower Division.
- (2) The examinations may take the form of "full general inspections" covering all aspects of the Manpower branch or detachment, or German offices inspected — including premises, equipment, staff, organisation etc., as well as the functional activities — or they may take the form of ad hoc visits to examine selected individual aspects.
- (3) The aim is to cover all parts of the British Zone by "full general inspections" at regular though not too frequent intervals but so as to keep the Chief of the Division and his Heads of Branch apprised of the standard and progress of the functions under their jurisdiction. Ad hoc visits are dictated by circumstances e.g. to obtain a factual realistic picture on the spot of the operation of one or more particular activities, or to enquire into and, where possible, correct weaknesses or difficulties warranting intervention by Headquarters.
- (4) The purpose behind Headquarters Inspections is not only to ascertain the state and quality of the work but also to strengthen or improve, where scope exists, the character, standard and method of control (on the British side) and of application (on the German side), by helpful advice and guidance. It is thus an important vehicle for implementing and securing uniformity of action in the application of Control Policy.
- (5) The Headquarters Inspectorate is also available to be used to help pilot any special schemes that may have to be launched.

### INSPECTION OF GERMAN OFFICES BY OUTSTATION MANPOWER OFFICERS

3. Apart from or in addition to the examinations made by the Headquarters Inspectorate referred to in para 2, Manpower functional officers at Regional, Land, or other detachments in the field are expected to maintain contact with, and carry out test checks of the work at, the German Labour Offices, Social Insurance Institutes and Housing offices within their area, to ensure compliance with Mil. Gov. Control Directives and instructions.

### INSPECTIONS BY GERMAN OFFICIALS

4. The Germans have been encouraged to establish at appropriate levels and operate their own inspectorate to examine, check and where necessary correct the working of the German offices concerned with the main functions controlled by Manpower Division. For example, the German Labour offices are subject to examination by German inspectorates operating from the Landesarbeitsämter.

### RESPONSIBILITY OF THE KREIS RESIDENT OFFICER

5. (1) It will be seen that Manpower Division has been fully alive to the importance of inspecting the German machine and has to a large extent provided for this need by developing an organisation for systematic inspection along three channels, viz:—
- (a) from its own Headquarters direct, through Headquarters Inspectorate Branch
  - (b) inspection visits by outstation Manpower officers to German offices within the area of the Mil. Gov. detachment to which they are allocated, and
  - (c) inspection of German offices by German inspectors.
- (2) A comprehensive system of inspection has thus been initiated and, while not as yet fully developed on the German side, it is on the whole sufficient to relieve

the K.R.O. of the necessity to make inspection visits to test compliance with British directives or to take any regular action – unless he is specifically requested to do so – beyond what is indicated in the preceding sections dealing with the functions of Manpower Division. It is particularly desirable that any matters touching the “reserved” Manpower subjects should be handled by the Manpower Division officer covering the area.

- (3) The Kreis Resident Officer will, of course, make himself acquainted with the senior German officials of any Labour or Housing office or Social Insurance Institute in his area and bring to the notice of the Manpower officer concerned anything of consequence he may see or hear in the course of his contacts which appears to call for alteration or remedial action.