EDITORIALS IN US PRESS CRITICIZE WALLACE'S FOREIGN POLICY SPEECH

United States' foreign policy is unchanged and has the full support of the American people, newspaper editorials and radio commentators made clear in their comment on Secretary of Commerce Wallace's much discussed speech in New York recently. Newspaper editorials for the most part were strongly critical of Wallace's views which were widely interpreted as differing in some respects from the administration's policy. Since making the speech, Wallace has resigned from the Cabinet.

By disapproval of Wallace's remarks, and by substantial praise of Secretary of State Byrnes' work, commentators voiced support for the firm, bi-partisan US aim of seeking world peace through the United Nations' Charter principles and the fulfillment of Yalta, Potsdam and other major power agreements.

Many commentators censured Wallace's advocacy of "spheres of influence" and his implied thesis for a "soft" attitude towards the Soviet Union. Some criticized the Commerce Secretary on the grounds he sought to inject foreign policy as an "issue" in the current domestic election campaign.

The New York Herald Tribune called Wallace's formula "sheer fantasy."

The Philadelphia Record declared "the nation was — and is — united on foreign policy."

Louisville Courier-Journal: "By every reliable indication, Secretary Byrnes enjoys the strong support of his countrymen ... what Mr. Wallace proposes in essence is the division of the earth between two rival imperialisms ... this is contrary to the whole concept for which Franklin D. Roosevelt labored and died."

G. R. Baukhage, radio network commentator, said: "The thing to remember is that the American foreign policy is not intended to be anti-Russian or anti-British or anti-anything ... There is only one foreign policy ... it is the one expressed by the American people through the Secretary of State, as head of the State Department, and by both Democratic and Republican Parties as expressed through their respective representatives, (Senators) Connally and Vandenberg."

The U. S. News Magazine editorial by David Lawrence, which described Wallace as "sincere but misguided," said: "The American foreign policy since V-J Day has been a consistent effort, supported by both political parties and the American people, to banish the idea of 'spheres of influence' and to avoid if possible 'two worlds' in which Russia would be left to dominate a vast area of the earth's surface. That effort has been carried out by the Secretary (Byrnes) in the finest American tradition."

The Washington Star voiced a hope that the vital question of foreign relations will not again "become a football to be kicked around by vote-seeking politicians on both sides of the political fence." The editorial frowned on attempts "to put the skids under that eminently desirable bi-partisan stand."

Radio commentator Cecil Brown said: "What has to be remembered is this ... that the rest of the world never forgets for an instant that we are united on a foreign program, that the Republicans and Democrats are working together and that we are in the affairs of the world up to our necks and intend to stay there."

The Philadelphia Inquirer: "The people of this country should be resolved, as never before ... while striving for friendship with
all peoples, to stand firmly against breeding ‘balances of power,’ ‘sphere of influence’ and attempts by any powerful nation to make capital out of smaller nations’ territories, rights and liberties.” The Inquirer said the US foreign policy “must not be pro-British. Neither shall it be pro-Russian. It can be pro-American and nothing else ... it must and will be the program of a united nation.”

The Philadelphia Record said: “Byrnes is on the firing line at Paris. He is doing his best for his country and for world peace ... he has been tactful yet firm, tolerant yet uncompromising on principles ... Byrnes’ policy has been ‘be firm’ rather than ‘get tough’. Byrnes has not been anti-Russian — but pro-peace, pro-United Nations, pro-Atlantic Charter.”

**Discussion of Byrnes’ Speech Continues in American Press**

The conclusion that Secretary of State Byrnes gave the world an exposition of American policy for Germany — “that every man can plainly understand” was emphasized in continuing US newspaper comment.

The editorials generally agreed that the fate of Germany is a matter of prime concern to every nation. Many expressed the view that it is now up to Soviet Union to accept or reject the program designed to avert danger of Germany becoming “a pawn or partner in a military struggle for power between the East and the West.”

The Atlanta Constitution said Byrnes’ speech “was in a sense, a direct answer to the July 10 statement on Germany by Soviet Foreign Minister Molotov, a declaration of Russian policy, exploited by Communist leaders throughout the occupied areas.

“Molotov had said that while Germany could rightfully aspire to a return to self-government, such a move was many years off. Byrnes, on the other hand, indicated the time might be near at hand when a provisional German government can be established ... 

“Increasingly it has become apparent that the divided occupation of Germany makes for conflict and inefficiency ... Positive, aggressive democracy has given its reply to Communism. Certainly we do not always agree. But at least, at this time, no one can say there is any reason for either misunderstanding the other.”

The Minneapolis Tribune: “That speech clearly was an announcement ... that this nation is sick and tired of the game of high pressure politics which is being played for the control of Europe, with Germany as the principal pawn ...

“The proposal is a single one. It is simple enough for the people of Germany to understand. Certainly it is simple enough for the Russians to understand. It is a middle ground proposal which if accepted would work to advantage of all parties ... If Russia is genuinely interested in world peace and democratic government, this proposal must be accepted. Failure to accept it will leave the United States with no choice but to conclude that Russia wants a Germany unified on Russian terms and none other ... under domination of Russia.”

The St. Paul (Minn.) Pioneer-Press: “Secretary Byrnes ... gave the world a badly needed exposition of American policy for Germany ... Now that the air has been cleared, the way finally is open for the major powers to come to grips with vital problem of Germany’s future.

“Such a clear and resolute stand, adhered to constantly, may not of itself be enough to assure success, but it is the most likely way to encourage the Kremlin to join us in saying, as the Secretary did at Stuttgart, “we intend to support the United Nations Organization with all the power and resources we possess.’”

In terming his address as “firm, forthright, strong ... yet not truculent or provocative,” the Birmingham News said: “He makes the choice for Russia and the world very plain indeed.”
of the firms represented at the exposition have the machinery and manpower to work with; but many of them do not have enough raw materials. The chinaware industry needs brown coal and kaolin. The jewelry industry needs gold and silver. The building industry needs copper wire and sanitary ware. The textile industry needs cotton and wool.

**DOLLAR CREDITS NECESSARY**

Aside from the scarcity of materials, there is another reason why visitors to the show cannot exchange their marks for the goods on display. The ingenuity, planning and hard work connected with the show have been invested with one thought in mind — exports, exports to countries that can pay in dollars. Dollar credits will make it possible for Germany to buy the raw materials and food she needs to keep her from economic bankruptcy. Signs posted at vantage points in the exposition beseech the people to understand that the things they see cannot be purchased in Germany, for the present at least. They are destined for export, the notices say, "so that you and your family will have something to eat".

Exporting is a problem all its own. With no stated value at which marks can be exchanged for dollars, it is difficult enough to arrange a sale of German hops (as has been done), a commodity whose current price can quickly be ascertained by checking world markets. It is infinitely more difficult to arrange for the export sale of breakfast dishes, say, whose price varies from country to country, from city to city, from store to store.

**SELLING AGENT FOR US**

Lack of a foreign exchange rate for the mark is one export problem among many that is likely to persist for an indefinite period. As an expedient, meanwhile, OMG-US recently made arrangements for the US Commercial Company, a subsidiary of the Reconstruction Finance Corp., to act as selling agent for German-made merchandise in the United States. Among other things, USCC will handle pricing of products to buyers. This necessarily will be done on an individual basis; each transaction will be negotiated separately. During July, OMGUS' Trade and Commerce Branch air-expressed samples of toys and handicraft items to USCC. The idea is to cash in on the Christmas trade, which promises to attain record high volume in the States this year.

Other obstacles to export trade within Germany itself are now being cleared away. A four-power agreement permitting non-transactional mail — exchanging of commercial information up to the point of signing of a contract — is almost through the quadripartite mill. (Previously, a prospective buyer was not permitted to negotiate with a German manufacturer through the mails.) The Office of Military Government for Bavaria has just set up a Visitors' Bureau to provide billets, messing facilities, and automobile transportation for travelling businessmen.

**ADVISORY GROUPS FROM INDUSTRY**

OMGB has also established an advisory committee from each Bavarian industry to make its headquarters in Munich. In conjunction with military government and German officials, the several committees will recommend ways and means of stimulating exports; the committees will also act as a contact point between prospective buyer and Bavarian manufacturer.

So far, the show at Munich has been pretty much a promise for the future. True, there have been visitors from all parts of the world, and definite buying interest has been shown in chinaware, leather goods, textile products, portable houses, and so on. A Chinese from the British Zone, representing a Shanghai firm, dropped in one day and wanted to buy 20,000 one-cylinder motors. (The manufacturer claims it will run 100 km. on one liter of gasoline.) But it is not yet possible to close such deals in a conventional way. There are still some loose ends to gather
in before sales at the export exposition can be consummated with dispatch. Meanwhile, this and other requests are being referred to the appropriate branch of OMGUS in Berlin for action.

That “promise for the future” is already looming large. Buying representatives from at least 30 merchandising organizations have requested permission to enter Germany and visit the Export Show. Included among these are W. T. Grant & Co.; Gimbel Bros., Inc.; Montgomery, Ward & Co.; Marshall Field, Inc.; and Associated Merchandise Corp., representing department stores such as Woodward & Lothrop in Washington, D.C., and Filene’s in Boston. Several of these buyers are expected to arrive in Munich soon.

CERAMICS PROGRAM INCOMPLETE

The final touches have not been put on the export program for ceramics. Twenty-three topflight producers of porcelain and chinaware — including such world-renowned names as Rosenthal, Nymphenburg and Hutchenreuther — have been selected to participate. OMGUS representatives have obtained an increased supply of coal, essential for operating the industry at a higher level (it is now running at about 25 percent of estimated capacity). OMGUS has also earmarked dollars with which to purchase kaolin, a special kind of clay available in Czechoslovakia; kaolin imparts the very hard, very white, and generally handsome finish that is a hallmark of quality china. Samples of china and porcelain — 33 cases of them — are now en route to the US Commercial Co.

FASHION SHOW PRESENTED

Tens of thousands of persons who couldn’t possibly travel to Munich may eventually have an opportunity to see one of the hits of the exposition — the fashion show. Presented four times weekly in the textile exhibit’s auditorium, the fashion show packs the auditorium’s 350 seats and is forced to turn away an average of 150 persons every performance. There is an orchestra, a master

of ceremonies, a regular runway, and a dozen young ladies who model almost 100 different costumes, from sport clothes to evening dresses. Germany has never been known as a leader in the fashion field; export hopes center around sophisticated versions of traditional Bavarian clothing — dirndl dresses, ski clothes, and peasant sweaters and costumes. But it is the first real fashion show the Germans have seen in seven years and they love it. Later this year, a streamlined version of the fashion show may tour the British and US Zones, performing at Stuttgart, Wiesbaden, Frankfurt, Hamburg and Bremen.

Germany will be hearing more, a great deal more, about the Export Show. The exposition now running in the Haus der Kunst is only a starter. Even now, the Office of Military Government for Bavaria, together with the Bavarian Ministry of Economics, is restoring the partly-damaged Munich Fair Grounds at an estimated cost of RM 2,000,000. The money is coming from admissions to the current show, including admissions to the Export Village with its prefabricated houses.

FUTURE PLANS FOR EXHIBIT

By next spring, if all goes according to schedule, the Export Show will move to the more spacious Fair Grounds. Longer-range plans for the show include provision for a 350-room hotel with every convenience for prospective buyers from outside Germany — restaurant; Post Exchange; library; conference rooms; transportation office; telephone, cable, and radio-communication facilities; typing; stenographic, and interpreting service. The idea is to build Munich into a US Zone super-center for export trade.

The Bavarian Export Show is at once a confession and a challenge. Through it, Bavaria reminds the world that Germany is poor in raw materials but rich in human resources; through it, Bavaria tells the world. “Give us raw materials and we will show you what industriousness and ingenuity can accomplish toward rebuilding a peaceful Germany!”
the OBL.

It shall have no control over warehouse or port installations. The ownership and operation of these functions shall remain with the municipalities. The Central Agency shall have no control over the water police. The control of the water police shall be with each waterway region.

It shall not exercise control over port installations and warehouses. These matters are reserved to the local port authorities. The actual operation of the ports and coastal shipping shall be with the local civil port authorities at each port.

It shall have no control over construction and maintenance of the various highways. This function is reserved to the various Laender.

It shall not interfere with traffic movements within a single OBL, water region or Land.

The Transport Department will be responsible to the Allied Control Authority through the Transport Directorate. The Directorate will exercise a broad, general policy review on all matters except budget, finances, new construction and rate structures. These four items will be subject to detailed supervision by the Directorate and shall be submitted to the Directorate before being placed in effect. Complete operating statistics shall be maintained and submitted periodically to the Directorate.

**RESPONSIBLE TO DIRECTORATE**

The head of the Department shall be State Secretary for Transport immediately responsible to the Directorate. He shall have responsibility for his subordinates, an assistant state secretary of transport and six under secretaries for rail, inland water, ports and coastal shipping, highways, traffic and rates.

The office of each under secretariat shall be divided into sections. Each section will be headed by a chief advisory official. These sections serve as advisory bodies and as collectors of information for the under secretaries and prepare papers on operating matters for signature by the under secretary.

The Land shall have responsibility for the maintenance of tracks and the right of way. The general supervision of port facilities owned by the local municipality is the function of Land government. The utilization of inland water barge capacity allocated for traffic within the Land shall be under the supervision of Land authorities. The Land will have no other functions with regard to inland water transport.

**OPERATION OF PORTS**

The operation of ports and coastal shipping shall be done through the local civil port authorities, who operate in cooperation with the Burgomaster at the port. As such, they come under the general authority of the government of the Land within which the port lies.

The construction and maintenance of highways and the installation of safety measures thereon is a Land function. The control of traffic lying entirely within a single Land is the function of Land government. The Central German Highway Transport Office will inform each Land of the anticipated volume of movements to that Land from adjacent ones.

The persons named as State Secretary and as his assistant must have extensive experience in administrative and executive matters. Positions shall be filled through appointment by the Transport Directorate of the Allied Control Council and incumbents will serve during their pleasure.

The position of under secretary calls for a man with a broad background in the particular field of transportation to which assigned and with considerable experience in administrative and executive matters. These positions are to be filled by appointment by the State Secretary for Transport, subject to confirmation by the Transport Directorate of the Allied Control Council and are subject
to removal by either the appointing or confirming authority.

The positions of chief advisory officials call for men of considerable experience in the field of their specialty. They must have had considerable practical experience and also a capacity for administration. These positions are to be filled by appointment by the top official under whom they serve in an advisory capacity and are subject to removal by him. Other than top management positions shall be filled through Civil Service examination. It is estimated that 180 persons will be required.

The headquarters should be located in Berlin which has adequate communication facilities and will permit closer liaison with the Allied Control Authority.

18,000 square feet of good office space is required. No special types of equipment are required except statistical machines, adding machines, mimeographs, plan reproduction machines and photostat machines and tele-type equipment. Several Reich properties are available.

The expenses of the Central Department should be budgeted against and paid from general revenues available to the Central Agencies.

It is realized that the Reichsbahn is a revenue producer. However, the personnel should be made to feel that they are working for Germany as a whole and for the whole transport system not for any particular branch of transport. They should not be paid from receipts of the transport system. Any return above the operating budget should go to the general treasury fund or be made available for reparations.

NEW STAMPS FOR GERMANY

(Burtz of the French Government completed the jury. Each representative was assisted by a political adviser to judge the political acceptability of the various designs and an artistic adviser to judge the qualities from an artistic point of view.

The Stamp Jury began its complex job of reviewing the several thousand entries on 29 March and on 11 May reached unanimous agreement on the five winning designs. Designs were rated as to order of relative merit by vote of the judges, who devised a point system for this purpose. Many colorful and ingenious drawings were rejected for political undesirability, some because of poor artistic technique and still others because they were impractical from a postal point of view. The designs which received final approval were adjudged the best entries combining all desirable qualities. Recommendations for prizes have been prepared by the Postal Sub-Committee and will be officially announced upon approval of the Directorate of Internal Affairs and Communications.

The winning artists: Gerd Barach of Berlin-Neukölln (US Sector of Berlin) won first prize for his entry depicting two workers, a man with a trowel in his outstretched hand and a woman carrying a sheaf of grain.

A tie resulted in the second and third selections: H. W. Hoepfner of Hannover-Kirchrode (British Zone) for his design showing a pair of upstretched hands, broken shackles falling away, releasing the white dove of peace with a small sprig of olive in its beak; and Joseph Rogmann of Beierfeld, Erzgebirge (Soviet Zone) for his entry showing a worker leaving his house to begin his day of labor, a large hammer carried over his shoulder.

Fourth place went to the design of Ludwig Brand of Kempten-Allgau (US Zone), portraying the beginning of a new day. A farmer is kneeling in fresh soil in the act of planting a small plant, presumably an olive tree. A shovel is standing in the ground by his side and the sunrise is shown in the background.

A drawing by Heinz Luckenbach of Wolfsburg, Niederrhein (British Zone) won fifth prize. His entry shows a farmer sowing grain in a new field; his farmhouse is in the background and the sun is rising in the early morning.
Selection of Sites for Foreign Service Officer Examinations ............ AG 201.5 INE-AGO
10 Sept 1946, USFET

Report of Personnel to Whom Subsistence is Sold .............. AG 430 RMJ-AGO
10 Sept 1946, USFET

Photographic Equipment ............................................. AG 413.53 GCT-AGO
10 Sept 1946, USFET

Reciprocal Agreement on Purchase of Services, Supplies and Facilities, US/British ................. AG 400 GDS-AGO
10 Sept 1946, USFET

War Department Circular No. 173 ................................ AG 400.34 GCT-AGO
11 Sept 1946, USFET

Bulk Allotment Personnel Report ................................. AG 220.3 GCT-AGO
11 Sept 1946, USFET

Emergency Return of Dependents ................................. AG 230 GAP-AGO
12 Sept 1946, USFET

Civilian Uniform Regulations .................................. Circular Nr. 129
13 Sept 1946, USFET

Amendment to Control Council Order No. 4 ..................... AG 007 (SS)
13 Sept 1946, OMGUS

Confinement of Personnel Awaiting Trial ......................... AG 250.3 PMG-AGO
13 Sept 1946, USFET

New Domestic Air Mail Rate ....................................... AG 311.1 AGM-AGO
13 Sept 1946, USFET

Location of CROWCSS .................................................. AG 322 AGA-AGO
13 Sept 1946, USFET

Subsistence and Army Exchange Service Items in Hands of German Civilians ........................ AG 322 GEC-AGO
14 Sept 1946, USFET

Return of Dependents’ Household Goods to the United States .... AG 414 GDS-AGO
14 Sept 1946, USFET

Payment of Family Allowances (Class F) to Enlisted Men’s Dependents Residing in US Occupied Zone, European Theater . AG 243 FDD-AGO
14 Sept 1946, USFET

Interpretation of the 22% Minimum in the Valuation of Advanced Deliveries on Account of Reparations, CORC/P (46) 172 3rd Revise AG 386.1 (ED)
16 Sept 1946, OMGUS

Debital of Blocked Accounts for Bank Service Charges ........ AG 100 (FD)
17 Sept 1946, OMGUS

Advance Copy of Amendments to Part 1, “Price Control,” Title 13, “Trade and Commerce,” Military Government Regulations .... AG 010.6 (ED)
17 Sept 1946, OMGUS

Reopening of Administrative Courts in the US Zone ........ AG 015 (SS)
17 Sept 1946, OMGUS

Availability of US Applicants for Employment (Issue No. 2) .... AG 201.62
21 Sept 1946, OMGUS

Change to Winter Time in Germany, CORC/P(46)288 (As amended by the Coordinating Committee at its 75th Meeting on 7 September 46) AG 003 (TD)
21 Sept 1946, OMGUS

Copies of Official Instructions listed in the Weekly Information Bulletin may be obtained by writing directly to the originating headquarters.