

May, in the hope of arranging a substantial dollar credit for the Netherlands East Indies. It is thought that this request, which is supported by the Indonesian Republican Government, is likely to meet with a sympathetic reception in the United States and that, if granted, the loan is not likely to be unduly burdened with restric-

THE UNITED STATES OF AMERICA

In his eagerly-awaited broadcast to the nation on the 28th April Mr. Marshall gave a restrained account of the difficulties which had prevented agreement from being reached by the four Foreign Ministers at Moscow. Agreement, he stated, had been made impossible because the Soviet Union had insisted upon proposals tantamount to establishing in Germany an administration which could be "too readily converted to domination by a régime similar to the Nazis." As regards the proposed Four-Power Pact to guarantee the demilitarization of Germany he had been "forced to the conclusion that the Soviet Government either did not desire such a pact or was following a course calculated to delay any immediate prospect of its adoption."

Among American press and radio commentators the negative outcome of the Moscow meeting has occasioned little surprise. Even before it wound up on the 24th April the Conference had been widely written off as a "total failure." Yet in the post-mortems which have followed the emphasis has been not so much upon the sense of frustration which such failure inevitably produces but upon the more positive significance of the Conference as marking the end of what has been called the "phoney peace." As the *New York Herald-Tribune* observes, "until the present, international policy has proceeded on the assumption that the war alliance retains its reality That assumption seems no longer tenable. The *impasse* at Moscow records a division too deep to give hope for a genuinely common policy which can be administered in the common interest." One or two thoughtful and cautious observers, like Mr. Sumner Welles, are willing to believe that there may still be hope, if the "highest authorities" in the Kremlin and in Washington resolve "to make a further attempt to negotiate the broad bilateral understanding upon which the fate of the world must now depend." Elsewhere, however, the conviction appears to grow that strengthening what the *Philadelphia Inquirer* calls the

tive conditions. The Netherlands East Indies exchange control is threatened with a complete breakdown unless credits can be arranged, and in the meantime exchange is being refused for even the most essential imports for the rehabilitation of foreign enterprises.

"Western association of nations" might be the wisest course to pursue in future.

That the United States can no longer think exclusively in terms of reaching agreement with the Soviet Union has frequently been emphasized in comment on the recent Senate approval of President Truman's plans for aiding Greece and Turkey (see last week's *Summary*). Drawing attention to the fact that the important details of the President's programme have still to be worked out, some commentators suggest that the "way in which it is administered will be vital to the success or failure of the policy." Those who will be responsible for the administration of the Greek programme are warned against using "direct political pressure" in that country and against allowing themselves to be influenced by British missions which may remain there. To this Mr. Walter Lippmann—still apparently a sceptic at heart—adds that what is to come of the Truman doctrine "depends on whether Marshall . . . can translate our inchoate opposition to Soviet expansion into a realizable plan of action." The first objective, he states, should be "the conclusion of a treaty fixing definitely the boundaries of Greece, Turkey and Iran, the régime of the Straits and the distribution of the oil concessions." The realization that such detailed considerations do in fact command urgent attention has lent interest to reports regarding the State Department's intention to set up a "Policy Planning Board." At his press conference on the 25th April Mr. Acheson confirmed that the Department was establishing such a Board and that this would be headed by Mr. George F. Kennan. Mr. Kennan has, significantly enough, been a member of the American diplomatic staff in Moscow.

A request which the President has made for a revision of the 1939 Neutrality Act has been well received, even by some who might have been suspected of harbouring a nostalgic attachment to the isolationist doctrine which inspired this Act seven years ago. In the message which he sent to

Congress on the subject on the 15th April Mr. Truman urged that the executive power be given control over the export of armaments so that it could carry out its obligations under the United Nations Charter and deal effectively at the same time with "changes in the international situation." The burden of his argument was that, if war should ever again become imminent, it would be "intolerable" for the United States to find itself bound by its own laws to give aid and support to a Power which might later attack it.

Initial comment on the special session of the United Nations Assembly on Palestine has been mixed and inconclusive, although the Zionist organisations in New York have been much in evidence in pressing their claims. His Majesty's Government have again made representations to the United States Government regarding the continued Zionist appeals for funds to promote illegal immigration into Palestine, with the result that Mr. Acheson has undertaken *inter alia* to have an inquiry made into the possibility of discouraging the sale of American ships for illegal immigration purposes. Mr. Acheson believes, however, that it will be difficult to find any legal ground upon which to intervene in this matter. The State Department is clearly still subject to Zionist pressure on the immigration question. Partly perhaps for this reason it has been endeavouring to dissuade His Majesty's Government from having the United Nations Secretary-General appeal to other member-nations to deny transit facilities to Jews trying to get into Palestine illegally. Ostensibly the State Department fears that such action on the part of the Secretary-General might cause the special session of the Assembly to digress from its more immediate purpose to a general discussion on immigration policy.

The necessity of grappling with the pressing problem of high prices at home was once more emphasised by the President in the address which he delivered to the Associated Press in New York on the 21st April. The American system of private enterprise, Mr. Truman stated, was being "tested before the world," and the persistent rise in prices was the one cloud which cast a shadow over the country's economic future.

LATIN AMERICA

Brazil

Throughout Latin America organised labour is acutely political: nevertheless, Brazilian syndicates are prohibited by a decree of July 1946 from indulging in

Again asserting that it rested with industry and business to halt the trend towards inflation, the President pointed out that labour also bore a share of the responsibility, although he conceded that his "counsel of moderation" as regards wage demands had generally been followed since January by the wage-earners and their leaders. In this connexion it is interesting to note that the agreement reached between the steel workers and the U.S. Steel Corporation last week for a wage increase of approximately 15 cents an hour has been followed by similar settlements between the General Electric, Chrysler and Jones and Laughlin Steel Companies and their employees. The President of General Electric admits, however, that his company must, as a result of the wage increases involved, raise the price of its products by about another 7 per cent.—a step which might help to send the wage-price spiral whirling upwards again.

Meanwhile the labour issue begins to look more and more like the rock upon which Republican unity, in the Senate at any rate, may founder. This week Senator Irving M. Ives (Republican, New York) and Senator Robert A. Taft (Republican, Ohio) have clashed openly in the Upper House on labour legislation. Senator Ives, a former Dean of the School of Industrial Relations at Cornell University, who is something of a labour expert in his own right, believes a number of clauses which Senator Taft has been endeavouring to write into the Senate labour bill to be unnecessarily stringent and he seems to have been able to persuade a majority on Senator Taft's own Labour and Public Welfare Committee to accept his point of view. There are also influences in favour of moderation at work outside the walls of Congress, the Executive Council of the American Federation of Labour having just set up a 1.5 million dollar "war" fund to combat the sort of restrictive labour legislation which the Republican diehards have been proposing. The A.F. of L. has yet to make it clear what this will mean in terms of 1948, but neither Senator Taft—a Presidential aspirant—nor any other Republican leader could afford to persist with a policy which would array labour solidly against him then.

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