

"however, I do feel that the military considerations which led to my previous action in opposing the passage of this resolution are not as strong a factor now as they were then. In my judgment political considerations now outweigh the military, and the issue should be determined upon the political rather than the military basis."

This message was conveyed to the 600 delegates attending the Annual Convention of the Zionist Organisation of America and resulted in much jubilation. The Convention also received pledges of support for Zionist policy in Palestine from the American Federation of Labour and the Congress of Industrial Organisations.

At the press conference on the Dumbarton Oaks proposals Mr. Stettinius, also, in giving examples of what questions, other than voting procedure, were still under consideration, mentioned the future of the mandate system. Mr. Seligman of the Jewish Telegraphic agency, having learnt that the mandate system was definitely to be re-examined, asked if it would include the British Palestine Mandate. It is understood that Mr. Stettinius gave assent to this, replying that it was intended that there should be a review of all mandates as part of the liquidation of the League of Nations. This statement, however, has so far not been commented on in the Press.

To a certain extent of course these statements reflect the importance of the Jewish vote in such key States as New York; but they will heighten the alarm already existing in the Arab world, where they will be taken very literally and will tend to falsify Mr. Stimson's optimism (see *Summaries* Nos. 248, 250 and 251).

After hearing claims for wage increases both from the A.F.L. and the C.I.O., the War Labour Board (W.L.B.), with its labour members dissenting, has decided to submit to the President a report on the relation between wages and the cost-of-living without any recommendation on the desirability of a change in the "Little Steel" formula. This formula takes as a yardstick the period from January 1941 to May 1942, during which the cost-of-living increased by 15 per cent., and permits an equivalent increase in wages over rates prevailing in January 1941. The legislation passed in the autumn of 1942 directed the President to stabilise wages and prices as far as practicable at the levels prevailing in September of that year. Maladjustments might, however, be corrected, and the "Little Steel" formula has been used to set a standard for this purpose. The "Hold-the-Line" Executive Order of April 1943 prohibited all wage increases beyond the limits of this formula, but this was later slightly modified.

Labour leaders have long maintained that the Bureau of Labour Statistics' cost-of-living index does not reflect, under wartime conditions, the full increase in the cost-of-living, and this view was endorsed a few weeks ago by a special enquiry conducted on behalf of W.L.B. (see *Summary* No. 259). The question of wage rates will become increasingly important as the period of industrial reconversion approaches, since contract cutbacks will mean a reduction in hours of work and therefore in overall earnings. Labour claims that the tax laws permit corporations to make provision for this period, but that Congress in its reconversion legislation has failed to allow for adequate unemployment compensation for war workers. Apprehension and uncertainty about the future are believed to have been amongst the causes of such strikes as that of the Detroit maintenance workers, and Mr. Byrnes' recent assertion that wages and prices must be kept stabilised until after the defeat of Japan is unlikely to be altogether popular with labour.

The dilemma with which Mr. Roosevelt is faced as a result of W.L.B.'s action is illustrated by Mr. Dewey's earlier remarks on the wage situation in his Seattle speech: The stage is set, he said, for "a big favour to labour before election day, a gesture carefully designed to make labour believe that something it is justly entitled to is a special gift from the New Deal." Many observers, and management organisations, such as the National Association of Manufacturers and the Chamber of Commerce, however, deny that labour is entitled to any wage increase at a time when price controls are still being maintained and inflation is still a danger. Mr. Louis Start, the well-informed labour correspondent of the *New York Times*, expressed the belief that Mr. Roosevelt did not intend to announce a decision until after the election, and it is generally agreed that the majority of labour will anyway support Mr. Roosevelt.

The President has sent a letter on the subject of agricultural machinery to Mr. Krug, the chairman of the War Production Board, stating that not only must the consumption of food at home remain at high levels to satisfy the needs and demands of a fully-employed America, but that "in the immediate future

we will be exporting large quantities of food, some of it to aid directly in achieving military victory, some of it as the United States contribution of UNRRA, so that liberated peoples could soon help themselves, and much of it through commercial channels." Mr. Byrnes and others have recently stated that agricultural surpluses may soon present a serious problem and that European requirements of American products may be much less than had been anticipated. The President's letter may do something to allay this fear.

The international supervision of cartels, both public and private, has been urged in a report by the Foreign Policy Association on the ground that this is essential in the post-war years in order to ensure a high level of employment and an expanding world trade for the various national economies. "The United Nations have pledged equal access to the raw materials of the world," stated the report, "and, in so far as cartel controls have hampered or would in the future nullify such a programme, it is hoped that unity of opinion and action can be achieved on these basic questions affecting the future security of the world." The report maintained that in Britain there was no general agreement that cartels operated against the public interest, although it was recognised that such combinations might have the power to do this. It urged the paramount necessity of ensuring that consumer interests are represented in any agreement undertaking the organisation of the production and distribution of the world's raw materials or processed goods, and it also argued for international Government action.

[See also under "France," "Poland," "Latin America" and the "United Nations."]

#### LATIN AMERICA.

On Columbus Day, the 12th October, President Roosevelt, addressing the heads of diplomatic missions from the other American republics, recalled the failure of Fascist and Nazi attempts to deceive and divide these republics, not only by propaganda from across the sea, but by agents, spies and fifth columnists. The people of the United States, he said, would never forget how the other republics had rallied to the common defence when their continent had been violated by Axis treachery in an attack on the United States. They had maintained the solidarity of all the American republics, except one, and the people of all would have the opportunity to share in the achievement of the common victory. Within the framework of the world organisation of the United Nations, which the Governments and peoples of the American republics were helping to establish, the inter-American system could and must play a strong and vital rôle.

Argentine representatives were not invited to this ceremony.

A further note (see last week's *Summary*) has been received by His Majesty's Government on the objectives of the State Department in its policy towards Argentina. The note declares that the Argentine Government is controlled by the officers of the Campo de Mayo and by the nationalist Club del Plata, and that this is a military Fascist combination, pro-Nazi, anti-United Nations, and intent upon the formation of similar Governments elsewhere in Latin America. It designed the domination of South America by a military machine which would enforce arbitrary political and economic claims against its neighbours and seek help from refugee Nazi technicians and others. If this group should consolidate its position as a result of "political indifference and helpful trade," the note continued, it would threaten the peace of the sub-continent. The United States would therefore do all they could to prevent the strengthening of its position by trade, and the United States Army had cancelled an order for supplies of Argentine meat. The State Department believed that by "whole-hearted political and economic collaboration from the United Kingdom" it would be possible to put an early end to the domination of Argentina by this group, and it saw no justification, from the standpoint of the war situation, for the conclusion of a long-term meat contract between this country and Argentina. The Department complained that the Argentines had been given reason to believe that a four-year contract was "ultimately certain" and that it was intended to proceed with the signing of such a contract, which would be directly opposed to the political position of the United States. His Majesty's Government have pointed out that there is no prospect of an early conclusion of a meat contract with Argentina.

In Buenos Aires the Central Bank has issued a circular explaining that the decree suspending financial and commercial operations with Germany, Japan and controlled territories applies to the transfer of all kinds of assets in Argentina belonging to persons or firms resident in these territories, and also to direct or indirect operations on their account. This appears to strengthen