

that the United Nations organization did not of itself possess the funds which the Greeks and Turks required, he emphasized that the State Department was, nevertheless, giving serious consideration to the ways in which the United Nations might take over the problem when the present emergency was past. Senators Vandenberg and Connally have also endeavoured to bring the Eaton bill into line with the considerable body of sentiment which feels that the United States ought at least to seek the "moral backing" of the United Nations for its policy. This they have done by adding a draft preamble expressing the belief that the proposed aid to Greece and Turkey will "contribute to the freedom and independence of all members of the United Nations in conformity with the principles and purposes of the Charter."

Some surprise was caused on the 23rd March when copies of hitherto secret State Department documents relating to the present situation in the Eastern Mediterranean were handed to the press in Washington, and when one of these was found to contain a statement favouring the cession of Cyprus to Greece. The documents had already been in the hands of the House Foreign Affairs Committee since the beginning of its hearings. In reply to inquiries on the subject by His Majesty's Ambassador in Washington Mr. Acheson has admitted that he did not know what all the documents in question contained when they were first submitted to Congress, and he has been most emphatic that the Cyprus statement does not represent his Government's considered viewpoint. The document was apparently prepared by the Division of Research and Publication of the State Department, and was passed on to Congress and the press without the knowledge of the political sections. In any case the proposal with regard to Cyprus appears to be completely at variance with current State Department policy, which is to maintain British influence at its maximum in the Eastern Mediterranean. This policy has caused the State Department *inter alia* to continue to press His Majesty's Government to keep intact the British training mission with the Greek army, even though the other British troops may be withdrawn.

The proceedings of the Foreign Ministers' Conference are being followed with sustained interest in the United States, although only on M. Molotov's demand for 10,000 million dollars worth of reparations from Germany has any strong line of comment tended to develop. Here Conservatives and Liberals are unanimous in

rejecting the Soviet claim on the ground that payment would reduce Germany to a condition of "industrial servitude" to the Soviet Union and that it would in any event be most undesirable to permit the Russians to draw upon current German production for reparations purposes at a time when American and British taxpayers were pouring money into Germany from the West to keep the country from collapsing. The *New York Times* points out that Russia has already compensated herself "quite liberally" for her war losses by annexing more than 250,000 square miles of territory, by looting Eastern Europe and Manchuria and by "collecting direct reparations through seizure and slave labour whose value former Secretary of State Byrnes has estimated at no less than 14,000 million dollars." General Marshall is therefore warmly commended for his refusal to compromise on the Soviet reparations plan. His prestige has risen considerably as a result of his performance at the Conference—his robust and positive definition of what the United States understands by democracy in relation to Germany at the meeting of the 14th March winning him particular praise and admiration.

At home the drive against disloyal elements on the extreme Left, which has come to be regarded as the natural corollary to Mr. Truman's insistence that help must be given to democratic nations abroad "against movements that seek to impose upon them totalitarian régimes," has received a fresh impetus from the Executive Order which the President issued on the 22nd March to purge the civil service of members and "fellow-travellers" of "totalitarian, Fascist, Communist or subversive" organizations. Under this Order every Government department is to have a "loyalty board" to investigate charges brought against its members, and the Federal Bureau of Investigation is to prepare and maintain up-to-date a list of subversive organizations throughout the country. The President's hand has been strengthened in this matter by the rejection by the Supreme Court on the 17th March of the appeal of a War Manpower Commission employee who had been dismissed for belonging to the Communist-inspired "American Peace Mobilization" group.

At its same session the Supreme Court made effective, as from the 20th March, its order requiring Mr. John L. Lewis and the United Mineworkers to withdraw their notice terminating their contract with the Government. This had been the condition

imposed by the Court on the 6th in reducing the union's fine from 3,500,000 to 700,000 dollars (see *Summary* No. 384). On the 19th Mr. Lewis complied "unconditionally" with the order of the Court. He is believed thereby to have removed the

threat of a new strike in the soft coal industry on the 31st of this month, the date up to which he provisionally continued his agreement with the Government when he ordered the miners back to work last December.

LATIN AMERICA

Argentina

An exchange of notes between H.M. Embassy and the Argentine Ministry for Foreign Affairs has extended indefinitely the Anglo-Argentine commercial agreement, though rendering it subject to summary termination. The Argentines refused an extension subject to three months' notice, but offered an extension until April. This would entail negotiations for a new agreement, which, if unsuccessful, would threaten Britain's food supply. Moreover, present Argentine policy suggests that it would be impossible to negotiate a new agreement compatible with Britain's obligations to the International Trade Organization. The possibility of inducing Argentina to enter into the same obligations appears to be faint. Owing to the attitude of the United States Administration Argentina was not invited to take part in the preliminaries of the I.T.O. last summer. Following that exclusion the Argentines adopted an increasingly nationalistic attitude in economic matters, and they have used their economic strength to rally Latin American support against the policies of the United States. Thus, in addition to the proposed agreement with Chile, Argentina has signed a Commercial Treaty with Bolivia and is negotiating one with Peru.

While the fact that Argentina has agreed to send delegates to the International Wheat Conference now meeting in London suggests a possibility of her being gradually drawn into other international agencies, it is difficult to believe that she will do anything contrary to her own immediate material interests, for no policy could be more popular in Argentina than one which combines profiteering and nationalism.

Brazil

It seems likely that negotiations about the treatment of Brazil's sterling balances may be resumed after an awkward break caused by Brazil's sudden decision to suspend purchase of sterling by the Bank of Brazil. This attempt at blackmail seems to have been due to a hasty decision by the

Ministry of Finance, and to have afforded some embarrassment to the Ministry for Foreign Affairs. In reply to a British Note pointing out that the Brazilian action was a violation of the Anglo-Brazilian Payments Agreement, Sr. Raul Fernandes told H.M. Ambassador that there had been no intention to exert pressure in the negotiations, and that, if his explanations were accepted and the resumption of negotiations was not made conditional on the withdrawal of the Brazilian suspension order, all would be well within a very few days.

Chile

The proposed Argentine-Chilean treaty has been the subject of much discussion in which the danger of excessive dependence on Argentina is balanced against the need for Chile to escape from her present plight; the second of these considerations seems likely to prevail. Conditions are bad enough to induce the Communists, who are part of the Government, to oppose strikes, and the Ministry of Finance has asked other Ministries to reduce expenditure. As 65 per cent. of the budget goes on the bureaucracy, this is necessary; but the Chilean Congress have passed a bill raising military pay and some salaries are being increased—so that the inflation is likely to go on.

Hostility to the Communists has increased and there are rumours that President González Videla may eject them from the Cabinet. In two speeches delivered at the end of February, however, the President declared that though the present ministerial combination was unsatisfactory to Liberals, Radicals and Communists, he was resolved to proceed with it, since Communist support was indispensable and any attempt to govern with the Radicals alone might plunge Chile into revolution. The Communists, for their part, are dissatisfied with the bill providing for agricultural workers' unions, which they regard as inadequate.

Ecuador

Despite his temperamental approach to politics and the notorious instability of