

in the Austrian treaty, in particular the problem of the "German assets" in Austria. The definition of this term has still not been agreed, and indeed at the beginning of the discussions it seemed as though M. Molotov might go back on the agreement previously reached by the Deputies that the treaty should include some definition of this term. M. Bidault eventually put forward a three-point proposal, according to which the Deputies should be instructed:—

1. To prepare an article providing for the recognition in the Austrian treaty of allocation of German assets in Austria under the provisions of Potsdam.
2. To prepare a definition of German assets in Austria, excluding all property taken under force or duress or, more generally, all property unduly taken from United Nations nationals or from Austrian nationals, for racial, religious or political reasons.
3. To prepare an arbitration clause on the basis of article 50 of the draft treaty.

M. Molotov expressed his willingness to accept the first clause, but wished to exclude the provision for arbitration and to amend the definition of the assets so that it should only exclude property "seized by the Germans from the United Nations or from Austrians as a result of forcible action or in the process of Aryanisation without any compensation." Such a definition would, of course, extend very considerably the scope of the Russian claims and, as Mr. Bevin has pointed out, would penalise those owners who had, in so many cases, received only nominal compensation or who had been obliged to surrender their property by intimidation. The Soviet rejection of the arbitration clause in the proposal is based on the assumption that, as Great Britain and the United States have renounced any claim on German assets in Eastern Austria, the Soviet authorities have the right to deal with these assets as they please. The other three Powers are anxious to see that German assets in Austria are acknowledged to come within the competence of the four Powers and to be relevant to reparations from Germany, not reparations from Austria. According to press accounts the Ministers were unable to reach agreement on the problem, and the matter has been referred back to the Deputies. M. Molotov is reported to have urged that the Ministers

should not refer to the matter again until the Austrian treaty as a whole is reached on the agenda; in view of the amount of work to be got through before this point is reached, this would mean a considerable lapse of time during which the Deputies would be left without guidance on this important issue.

The Deputies have been continuing their discussions and have reached agreement on some comparatively unimportant points. The British compromise figure of 53,000 for the size of the Austrian armed forces has now been accepted, but the armament of these forces with war material of non-Austrian origin or design is still under discussion and is being opposed by the Russians. Efforts to achieve a compromise on the article concerning the preservation of Austria's independence have been unavailing, the Soviet Deputy objecting to the whole article. While admitting the validity of the Potsdam decision that no reparations should be exacted from Austria, M. Gusev has sought, but without success, to obtain a hearing for the Yugoslavia claims for reparations. The Soviets have also supported Yugoslav claims to keep Austrian property in Yugoslavia. In regard to Yugoslav territorial claims Soviet propaganda continues to maintain a cautious attitude.

Reports in the Soviet press of a recent clash in Eisenkappel (Carinthia) between members of the Slovene Liberation Front (the OF) and the local inhabitants did not commit the Soviet Union to support Yugoslav claims. According to the report of the Director of Public Safety in Carinthia, the clash occurred as the result of the holding of an unauthorised procession by the OF. In view of the negative attitude to Yugoslav claims hitherto publicly maintained by the Austrian Communist party, it is of interest that the version of the incident given by the Communist *Volksstimme* omitted all reference to the provocative behaviour of the OF officials.

CZECHOSLOVAKIA

Despite the President's recent warning on the dangers attending yet another internal Czech-Slovak crisis (See Summaries 372 and 382), the approaching close of the Tiso trial in Bratislava—a verdict is expected shortly after Easter—has thrown perhaps even more sharply into relief the unsatisfactory relationship between Conservative Slovakia and the Socialist Czech Lands. As far as the Slovak scene itself is concerned the trial amounts to nothing

more than a phase in the struggle for political supremacy between the Slovak Democrats and the Communists, since both parties are energetically making ideological capital out of the *cause célèbre*. In its wider aspect where questions of national security are involved the trial has a far greater significance. Public sympathies in Slovakia are so overwhelmingly in favour of Dr. Tiso that competent Czech observers believe that, if the death-sentence is pronounced, Czech-Slovak relations will be hopelessly ensnared for years to come. Consequently any prospect, it is thought, of reaching agreement on the new Constitution would be grievously damaged—unless, of course, the Communist stock slumps in the 1948 elections. The news of pro-Tiso demonstrations, notably in Piešťany, shows that Hlinka extremists and *agents provocateurs* are still at work, although it is not impossible that the incidents were deliberately inspired by the Communists. Among those arrested as the alleged instigators of the demonstrations is the Secretary of the Freedom Party which was formed shortly before the 1946 elections to cater for the discontented Catholic elements in the Democrat ranks.

In retaliation the Slovak Nation Front, reinforced by representatives of the Slovak Trades Union Council and the Partisan Organisation, staged a counter-demonstration in Bratislava. The principal theme of the many speeches delivered was that of fidelity to a united Republic and the need to purge the province of all subversive elements. General Ferjenčík, the non-party Commissioner of the Interior, has been empowered to take severe measures to prevent the recurrence of similar disorders.

M. Masaryk, the Minister for Foreign Affairs, has reviewed in the course of a lengthy speech to Parliament his country's relations with foreign Powers. The tone of his speech was optimistic, though he urged that effective control over Germany is vital. No new disclosures were made; the Soviet Union continues to be the keystone of Czechoslovak foreign policy. Regarding Anglo-Czech relations M. Masaryk welcomed the increasing political interest and cultural collaboration between the two nations; the signing of the Anglo-French Treaty he regarded as proof that Great Britain has not cut herself adrift from the Continent. In the debate which followed M. Masaryk's *exposé*, the Czech Communist, Popular, and Socialist parties deplored the American attitude towards the new Republic.

The Government have approved the Central Planning Commission's proposal that there should be a general price reduction—to be effective as from the 1st April—in foodstuffs and essential goods. The cost of living is expected to fall by 5 per cent. (See also under "Hungary.")

POLAND

It now seems likely that the differences of opinion among the leaders of M. Mikolajczyk's Peasant Party, the P.S.L., have led to a definite breach. The subject of such differences was the question whether the P.S.L. ought to have joined the united electoral "*bloc*," proposed by the Government parties or, as actually happened, taken part in the contest as an independent opposition. That the party adopted the latter course was due to M. Mikolajczyk himself, who, finally realizing the extent to which the Government parties would certainly go in their programme of electoral chicanery and dishonesty, decided not to be associated with them in such a procedure. Instead, he thought that the P.S.L. should present itself to the country as the party standing for the traditional democratic principles of freedom of thought and expression, in relation to Poland's domestic affairs, while fully accepting the fact that a considerable limitation would have to be placed on the claim to an independent foreign policy in so far as that an alliance with Russia, while certainly not completely to the liking of the majority of Poles under present conditions, was rendered inevitable precisely by those same conditions, and therefore outside the range of discussion.

The opinion that the P.S.L. should have joined the "*Bloc*" was, and still is, held by a group led by Dr. Kiernik and M. Wycech, Ministers of Public Administration and Education respectively in the provisional government prior to the elections. Both men spent the war in Poland as members of the underground forces acting against the Germans, and were among those admitted to the provisional government when it was re-formed on a "broader" basis, in accordance with the Yalta agreement.

For a long time such a diversity of views did not appear to imperil the party's unity to any great degree, and seemed to be one of those points of controversy which normally, and often inevitably, occur in any political organization founded on the commonly accepted principles of democracy.